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FACTS

FOR THE

ELECTORS

A Record of the Conserveative Administration

1878--1882.

CLAIMS OF THE GOVERNMENT

FOR THE

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FACTS

ELECTORS

A Record of the Conservative Administration

1895-1898

CLAIMS OF THE GOVERNMENT

SUPPORT OF THE PEOPLE

FACTS FOR THE ELECTORS.

REVIEW OF CONSERVATIVE ADMINISTRATION.

THE PUBLIC EXPENDITURE.

The approach of the general elections has given rise to the usual amount of campaign literature. The Liberals, during the last session of Parliament, issued some three or four sheets, which were distributed through the post office, at the public expense, to all parts of the Dominion. These sheets profess to be "Records of Tory Administration since 1878." They profess to deal with the rapid increase of the debt and expenditure, with "contract swindles great and small," with "maladministration and disregard of public interests," and with various subjects connected with the National Policy. We propose to review the more prominent features of these sheets, and we shall leave it to the electors to say how far the statements made in them are justified by the facts.

DEBT AND EXPENDITURE.

The first subject referred to is the public debt, and statements are given to show that the net debt increased from \$75,723,641 in 1867 to \$99,848,461 in 1873. From thence to 1878 to \$140,362,069 and in 1881 to \$155,395,780; and it is pretended that the increase during the Mackenzie Administration was due entirely to obligations which had been inherited by them, and which had been incurred by the Conservatives when in office. Let us look at the facts connected with the public debt. The increase from 1867 to 1873, a period of six years of Conservative rule was \$24,119,820, an

average of \$4,019,970; from 1873 to 1878, five years of Liberal rule, the increase was \$40,513,608, an average of \$8,102,721; and during the last three years of Conservative rule the increase was \$15,033,711, an average annual increase of \$5,011,237. Of the increase during the first period and a portion of the second nearly \$20,000,000 was for transfer of debts from provinces to Dominion, or was caused by debts allowed to new provinces brought into the Dominion. No less than \$15,525,279 of the increase in the debt before 1873 was of this class, nearly the whole of it being caused by the assumption of the Dominion Government in the session of 1873 of the debts of Ontario and Quebec, and the addition of certain amounts to the debts of other provinces to compensate them for this; so that the actual increase of the debt as measured by the burden upon the people, between 1867 and 1873 was \$8,594,541, or an average during the six years of Conservative rule of \$1,432,423. Of the increase during Mr. Mackenzie's regime, \$4,927,060 was of the class referred to being the debts of Prince Edward Island and other charges of a similar kind, making the actual increase during the five years of Mr. Mackenzie's rule \$35,585,548, or an average annual increase of \$7,117,109. Here are the average annual increases of the debt down to 1881:—

Six years of Conservative rule	\$4,019,970
Or, deducting transfers of debt	\$1,432,423
Five years of Liberal rule	\$8,102,721
Or, deducting transfers of debt	\$7,117,109
Three years of Conservative rule	\$5,011,237

It is said that the increase in the debt

under Mr. Mackenzie's *regime* was due to the obligations inherited from his predecessors. This statement is incorrect. The Intercolonial Railway, which caused a considerable increase of the debt, was not a party question. Both parties in arranging the terms of Confederation agreed to build that railway. Even the selection of the route by the north shore instead of the short route by the valley of St. John was not a party question, as will be seen by the following names of those who voted for that selection. The total vote upon which the Baie de Chaleurs route was chosen, was 114 to 28, and among the majority were the following Liberals, twenty-four in all.

Anglin,	Killam,
Bechard,	Macdonald, D. A.,
Bourassa,	Paquet,
Cartwright,	Pelletier,
Cheval,	Poser,
Coffin,	Roy,
Coupal,	Ross, Walter,
Forbes,	Ross, (Victoria, N.S.)
Geoffrion,	Smith, A. G.,
Holton,	Tremblay,
Hutchison,	Wood,
Joly,	Fortier.

So far as the increase of the debt caused by the Intercolonial Railway was concerned it was not a party question at all, and neither party is responsible at all. Then it is claimed that the enlargement of the canals was an obligation inherited by Mr. Mackenzie from his predecessors. As a matter of fact, Mr. Mackenzie was not bound to spend a dollar upon the canals except for the completion of the contracts let upon the Lachine Canal. The Government of Sir John Macdonald had advertised for tenders for the enlargement of the Welland Canal, and tenders had actually been received; but Mr. Mackenzie cancelled those tenders, and on his own responsibility, and because he believed the expenditure was a proper one, he advertised for new tenders, and let the work at some \$200,000 or \$300,000 more than it had been tendered for before he came into office. The Pacific Railway the Liberals have declared frequently since, they were not bound to build unless the finances per-

mitted it. They have within the last three years placed that view on record in the journals of Parliament, so that if Mr. Mackenzie thought the country was not able to build the railway he could just as well have stopped it in 1874 as when he desired to stop it in 1881. As a matter of fact the only contracts of any great importance let by the Conservatives which Mr. Mackenzie was bound to complete, outside of the Intercolonial Railway, were those on the Lachine Canal. All the other expenditures causing this increase of the debt were made upon his own responsibility.

There is, however, another feature which should be looked at. During the six years of Conservative rule in consequence of the good times and careful management of public affairs, \$12,072,780 were spent on capital account in excess of the additions to the debt. During the five years of Grit rule, \$1,997,613 were added to the public debt more than was expended on capital account. While during the last three and a half years of Conservative rule, down to 1st January last, \$4,522,822 were spent on capital account in excess of the addition to the debt, that is, assuming the year 1872-3 as the last year of Conservative rule, and the year 1877-8 as the last year of Liberal rule. But if we take the figures in the Opposition campaign sheets and make the Conservatives responsible for the year 1878-4 and the Liberals for the year 1878-9, it will be seen the Conservatives spent on capital account in excess of the addition to the debt \$12,833,009; the Liberals added to the debt in excess of expenditure on capital account \$4,257,612; while the Conservatives have since spent on capital account in excess of the additions to the debt the large sum of \$7,543,044. Thus, if during the Conservative Administration the same condition of things had existed as during the Liberal administration and the same expenditures on capital account had been made, the debt would have been \$20,376,042 more than it is. In the face of these figures one must be astonished at the Opposition challenging an investigation into the facts connected with the public debt.

THE PUBLIC EXPENDITURE.

The Liberals in dealing with the public expenditure compare the year 1873-4 with the year 1877-8 as if the former was the last year for which the Conservatives were responsible, and the latter the last year for which the Liberals were responsible. As a matter of fact, the year 1873-4 the Conservatives were only in office for 34 months and in 1878-9 the Liberals were in office for four months. If we are to deal with the complete years of each administration the proper way is to take the year 1872-3 and the year 1877-8. The total expenditure for the former year was \$19,174,647 and for the latter year \$23,503,158; but there is no doubt that would not be a fair comparison. The true way is to take the estimates submitted by Sir Leonard Tilley in the session of 1873 for the service of 1873-4, for which he should be held responsible. The total amount voted for that year, including the supplementary estimates, on account of the consolidated fund was \$21,639,666. The expenditure for that year was \$23,316,316, or an excess of expenditure for the year, eight months of which was controlled by Mr. Mackenzie of \$1,676,650. There were, however, some items not included in the estimates connected with the admission of Prince Edward Island into the Confederation which will account for some of this difference; but in order to make up an apparently large expenditure which they could afterwards fix as a basis of comparison, they charged against consolidated revenue nearly \$900,000, which ought properly to have been charged to capital account, such as expenditures on the Intercolonial Railway, expenditures on the Dawson route, and some \$69,000 on account of refund of Customs; so that under any circumstances, if the Conservative Government are to be held responsible for 1873-4 on a fair making up of the accounts, the expenditure was \$1,000,000 less than it was put down in the statements published by the Liberals. The total expenditure in 1878-9 was \$24,455,381, or an increase during the five years, even taking the figures as they are

in the public accounts, of \$1,139,065. It is, however, a very misleading way of dealing with the expenditure to take these bulk sums. The expenditure is divided into three classes so far as the general heads are concerned. The first, charges for debt and subsidies which are practically beyond the control of the Administration; the ordinary expenditure which is largely within its control; and the charges on revenue which may be said also to be largely within its control. Included in the ordinary expenditure are certain items which may be made large or small according to the views of public policy of the Government, and taking a few of these we will see how far the Government of Mr. Mackenzie is really entitled to credit for an economical administration. Here are a few items upon which reductions were made:

	1873-4.	1878-9.
Immigration and quarantine.....	\$318,572 00	\$212,234 05
Militia and defence....	977,376 27	777,688 98
Public works.....	1,836,001 03	1,013,283 10
Lighthouse and coast service.....	537,057 63	447,566 82
Dominion lands.....	283,163 00	91,778 29
Dominion forces (Manitoba).....	209,169 42	
Boundary survey.....	79,298 00	
Military stores.....	144,936 00	
Customs refunds.....	68,330 02	
Total.....	\$4,444,988 97	\$2,542,876 84

This makes an apparent reduction in the expenditure in these items, many of which were exceptional in 1873-4, and all of which were of a character that could have been dispensed with almost altogether if that had been the policy of the country, of \$1,901,992.63. In the matter of the collection of revenue, although the revenue itself was practically stationary during that time, there was an increase during Mr. Mackenzie's regime from \$4,736,442.28 to \$5,561,182.19, an increase of \$825,719.91 or an average increase of \$155,143.98, while during the Conservative regime down to 1881 the increase was \$121,999.96, or an average increase of of \$60,995.48, and that with an enormously increasing revenue in all the great collecting departments. It is complained that the expenditure since this Government has come into power has increased very largely. This is true. With a booming revenue the Gov-

ernment have been able to make expenditures from the consolidated fund for public works and other objects of utility. They have been able to deal generously with those branches of the public service which immediately affect the prosperity of the country. The total expenditure in 1877-8 was \$23,503,158; in 1881 it was \$25,502,554, or an increase in three years of 1,999,396. Take, however, a few items of this increase:—

Interest and charges on public debt, increase.....	\$ 183,604
Census, increase.....	127,033
Public Works, increase.....	140,171
Indian grants, increase.....	383,594
Post office, increase.....	151,719
Public works, collecting revenue of, increase.....	231,727
Total.....	\$1,918,848

So that in these items alone we have within \$80,000 of the entire increase. It is worth while to give a few facts showing in contrast the annual increase during the five years of Liberal administration and three years of Conservative rule:—

PUBLIC DEBT, interest on sinking fund and charges, five years of Liberal rule, annual increase..	\$ 478,207
Three years of Conservative....	294,535
POST OFFICE: Five years of Liberal rule.....	131,441
Three years of Conservative rule..	50,573

And this is in spite of the fact that a large number of new post offices have been opened up throughout the Northwest, involving a large expenditure for service.

CUSTOMS DEPARTMENT, annual increase during five years of Liberal rule.....	\$29,352
Annual increase during three years of Conservative rule.....	\$1,059

And this in spite of the fact that during the five years Mr. Mackenzie was in office the customs revenue only increased in the aggregate \$171,340, while during the three years the Conservatives have been in office it has increased \$5,621,268. The cost of the collection of revenue increased under the Liberals \$381,130, under the Conservatives \$127,343. Under the Liberal administration the average increase in the cost of collecting the revenue was greater by \$68,822 than the average in-

crease in the revenue itself. It is on these details that we have the best grounds for congratulation upon the financial administration of the Conservative Government.

It is said that the estimates for next year are very heavy, and a charge of extravagance is made against the Government in consequence of that. There are undoubtedly increases in the estimates, but they are not of a character to justify a charge of extravagance against the Government. Including the supplementary estimates brought down during the late session the excess of expenditure according to the estimates of 1882-3, as compared with those of 1878-9, will be \$3,624,115, but of this the following item will show how little of it is due to extravagance on the part of the Government:—

Interest on the debt and sinking fund	\$ 915,327
Immigration.....	188,883
Public works.....	1,173,382
Indian grants.....	419,981
Mounted Police.....	88,177
Collection of revenue, Post Office..	234,477
Public works.....	47,726

Total.....\$ 3,067,950

Leaving only about half a million of dollars to be scattered over the other branches of the public service. Of course these estimates are not a fair comparison for the reason that the expenditures do not always reach them. Last year, for instance, the expenditures were \$500,000 less than the estimates submitted to Parliament for the service of the year. The two items of Mounted Police and Indian Grants are an absolute necessity, and no better proof of this can be afforded than by quoting from the letter of the special correspondent of the *Toronto Globe* to that paper, dated Pincher Creek, Northwest Territory, on the 23rd September last, and published in the *Globe* on the 24th November. In that letter the whole question of the position of the Indians and of the Mounted Police is dealt with as follows:—

“Though so far the police have been able to make arrests of Indian depredators in the face of overwhelming odds,

the general impression among the best informed frontiersmen is that this game of bluff is about played out, and that the day when three or four red-coated prairie troopers, through sheer pluck and coolness, can overawe a large band of Bloods, Piegons or Blackfeet, has now nearly, or quite, passed by, and that in future the greatest caution will have to be exercised in dealing with these lawless, half-starved savages. Even now horse-stealing and 'cattle-lifting' is going on in various quarters in spite of the vigilance of the handfuls of police stationed at various points throughout this great stretch of country, and settlers and ranchmen are threatening to take the law into their own hands. Should they do so the most frightful results will be sure to follow, and a general uprising of the Indian tribes might confidently be predicted. No matter what this may be, *I think the police force should be increased and the Indian Commissioner should be invested for this winter at least with absolute authority to grant to the Indians such supplies as may be necessary to keep them from starving to death. It will certainly be cheaper to feed these Indians than to fight them, and should they once set the authority of the Government at defiance, there is no force in this region that could reasonably be expected to enforce that authority in the presence of overwhelming numbers of hostile savages.*"

The correspondent takes an eminently sensible view of the case when he points out that the question of cost is a secondary one in dealing with this subject. At all hazards and at almost any cost, the chances of Indian troubles must be provided against, as far as human foresight can accomplish the task. The writer in the *Globe* says:—

"It will cost a good deal of money to make the 25,000 Indians that have been driven away here to the base of the Rocky Mountains, by the progress of settlement, prosperous and law-abiding citizens, but I think the policy now being pursued, that of teaching them to make a living through agriculture and stock-raising a sound one, as every Indian who succeeds in making for himself a competency in

this way will exert a very powerful influence for good upon others of his own race. As soon as he has a band of cattle or ponies, or a little ranche under crop, he becomes a friend of law and order and an ally of the white settlers, while his comparative wealth invests him with exceptional weight and influence with his own people. *Thus it will be seen that every dollar now judiciously spent in encouraging industrious, thrifty Indians may, a few years hence, save the expenditure of hundreds of dollars in fighting hostile or feeding starving ones.*"

The increase in the Post Office department is caused by the opening up of new post offices all through the Northwest and in British Columbia, and increased postal service in other parts of the Dominion. When it is remembered that under the Liberal Administration the cost of the Post Office increased from \$1,387,270.48 to \$1,784,423.88, and that without any specially enlarged service, it will be admitted that it does not lie in their mouths to complain of the increase in the service as the result of greater accommodation to the public. The increase in the cost of managing the public works is marvellously small when it is remembered that it includes the cost of operating the Intercolonial Railway. It is impossible, of course, to give any details in connection with the working of the Intercolonial for the year 1882-3, but taking the last year for which we have details, we find these remarkable facts: In 1878-9 there were 714 miles of railway working; in 1881, 840 miles; in 1878-9 the earnings were \$1,294,100; in 1881 they had increased to \$1,760,394; in 1878-9 the loss to the country in operating the railway was \$717,084; in 1880-1 there was a gain of \$543. The working expenses per train mile were reduced from 95.20 cents to 62.56 cents in 1881. Putting it in another way we find that for the last three years the railway was worked by Mr. Mackenzie there was a loss in the working of \$1,655,638, making an average annual loss of \$558,875, while under the auspices of the present Minister of Railways, Sir Charles Tupper, the loss upon the road in 1879-80 was only \$97,132, and in 1881 there was an actual profit of \$543. Working, however, 126 miles more

of railway will certainly account for the small increase in the cost of collecting the revenue for public works. So with every department there has been a remarkable illustration of the carefulness with which the affairs of the country have been managed. Take the Customs department and the following statement will show what marvellous success has attended the Administration:

MEMORANDUM OF CUSTOMS DEPARTMENT EXPENDITURE.

Year ended June.	Salaries.	Contingencies.	Total.	As compared with 1878.		Do after deducting statutory increases.
				Less.	Over.	Less.
1876.....	\$28,743 49	\$17,234 07	\$45,977 56	.....	\$1,367 35	.....
1877.....	27,320 83	15,767 89	43,088 21	\$1,522 00	.....	.....
1878.....	28,237 50	16,372 71	44,610 21	.....	.....	.....
1879.....	28,229 12	13,725 61	42,954 73	1,655 48	.....	2,480 48
1880.....	30,968 67	6,733 73	37,700 40	6,910 81	.....	8,710 81
1881.....	30,561 97	5,640 35	36,202 32	8,407 89	.....	11,307 89

CUSTOMS OUTSIDE SERVICE.

Year.	Salaries.	Day Wages.	Contingencies.	Miscellaneous and Inspection.	Board of Customs.	Total.
1876....	.....	.....	.....	.....	.....	\$721,008 60
1877....	\$564,813 74	\$79,466 97	\$53,219 95	\$24,104 29	.....	721,604 95
1878....	567,745 38	74,598 35	46,876 28	25,307 76	.....	714,527 77
1879....	571,660 66	70,400 04	48,154 22	29,496 37	.....	719,711 29
1880....	555,425 73	69,117 20	45,365 29	26,957 34	\$17,028 62	713,892 37
1881....	564,913 90	67,097 49	46,315 14	27,044 00	12,340 78	717,704 31

It will be seen from this that while there has been an enormous increase in the revenue, the cost of collecting it has actually been reduced, not simply in a percentage but an actual reduction. See the facts, as follows:—

Customs Revenue, 1878.....\$12,833,114 48
Cost of collecting, \$5.58 per \$100

Customs Revenue, 1881.....\$18,500,785 97
Cost of collecting, \$3.97 per \$100

In no respect, perhaps, is the reduction so marked as in the matter of contingencies, where the carefulness of the Minister has it fullest play. While Mr. Burpee spent on contingencies in 1876, 1877 and 1878 an average each year of

\$16,458 Mr. Bowell has spent an average during 1880 and 1881 of \$6,187; and while he has been able to add to the staff of the Department a board of customs which has proved of great assistance to him in the collection of revenue, he has been able at the same time to reduce somewhat the total expenditure on account of Customs. Nothing could more clearly mark the carefulness with which the Government have administered the affairs of the country than this exhibit. They have been liberal in expenditures tending to the development of Canada and they have been careful and economical in all matters where carefulness and economy were of value to the public. Another illustration which may be given to the contrast is the administration of the Weights and Measures Department under Mr. Mackenzie's administration and under the present Government. In a recent debate in Parliament Mr. Bowell read the names from an official statement giving the dates of their appointment and the dates upon which they commenced work of no less than 97 officers appointed by the late Government in 1875 and who received in the aggregate no less than \$52,282.32 before they were in a position to do a stroke of work, the standards not having been supplied to them. These officers were distributed in the provinces as follows:—

Ontario.....	\$19,899 44
Quebec.....	20,048 54
New Brunswick.....	6,164 65
Manitoba.....	770 00
Prince Edward Island.....	435 34
British Columbia.....	74 97

\$52,282 32

Nothing has occurred in the history of this country so shameless as this. One of these happy mortals, Mr. Grenier, who never acted at all, drew his pay for over 1,319 days. He was appointed on the coast of Labrador, where certainly no weights and measures inspector was needed, and received his \$1,806.89. A Mr. Kerr, Hants, Nova Scotia, drew pay for 897 days, in all \$1,230.44, for which he never did a stroke of work. A Mr. Blanchard, of Restigouche, drew no less than \$1,819.39 and never did a stroke of work; and so on during the whole 97,

the number of whose days during which they simply drew their pay and did nothing, ran from 200 up to 600 and 700. Then again, in addition to this large expenditure, there are at this moment lying in the cellars of the eastern block of departmental buildings, weights, measures, scales and other articles which are useless, and which cost \$37,399.40. It is true that Mr. Koss has charged that a portion of this equipment was purchased under the former Conservative administration. That statement, however, is inaccurate. There were some samples purchased valued at about \$7,000, but with the exception of that, the whole of this large expenditure for useless implements was made by the late administration of Mr. Mackenzie. Another official statement submitted by Mr. Bowell shows the expenditure in this department as follows:—

Year.	Excise Revenue.	Excise Salaries.	Cost of Salaries per cent on Elections.	Number of Excise Officers.	Increase of Revenue per cent.	Increase of Salaries per cent.
1872-73	\$4513,191	\$135,305	3	180	8	24
1877-78	4,888,149	174,273	6-10	246	10	81
1880-81	5,400,903	189,528	3			

The increased number of officers in 1881-82 is accounted for as follows:—

Specially appointed for the survey of tobacco cultivated in Canada.....	15
Counted also as Inspectors of Weights and Measures.....	3
Counted also as Inspectors of Gas.....	1
Employed as Inspectors of Petroleum imported into Canada (for the Customs Department at the principal places), and for the more effectual inspection of Canadian petroleum under the Act of 1880.....	6
Additional Excisemen required for the survey of distilleries, it having been found necessary to provide additional security for the collection of the revenue.....	6

Making a total of..... 31
The employment of the nine unaccounted for above became necessary in conse-

quence of the additional work imposed on the Department in stamping Canadian tobacco and in providing and distributing stamps to the Customs Department for imported tobacco. There was a total number of forty appointed, as necessary on account of extra and additional work imposed on the Department by stamping for the different Custom Houses.

It has been complained that there has been an increase of officers in connection with the Excise Department, and an attempt has been made to show that this has been the case in connection with the weights and measures branch. As a matter of fact, however, this statement arises from an entire misapprehension, seeing that the number who are entered as being in the excise branch are also engaged in the weights and measures branch and as inspectors of gas. Thus one officer sometimes represents three, and this circumstance is made the basis of the state-

ment circulated over the country, that three men are doing the work previously done by one. As regards gas inspection, the number of places in which gas was inspected in 1877-8 was 11; in 1880-1, 17; the number of inspectors in 1877-8 was 11, and in 1880-1, 13. Of the 13 gas inspectors in 1880-1, two received only \$150 each and one received \$250 per annum, these three being also inspectors of weights and measures. The aggregate salaries paid for gas inspection in 1877-78 were \$9,163, and in 1880-81 they were \$9,038. So much has been said about the increase in the number of officers that the following statement relating to the Inland Revenue Department will furnish an explanation of the increase:

STATEMENT showing annual expenditure and receipts in connection with weights and measures, equipment and inspection from 30th June, 1876, until 30th June, 1881:—

YEAR.	EXPENDITURE.				Receipts.
	Equipment.	Con-tingencies.	Salaries.	Total.	
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
*1876-7 ...	22,000.73	23,382.93	55,025.48	100,409.14	51,657.85
1877-8 ...	4,484.37	25,788.21	51,720.27	81,992.85	29,683.81
1878-9 ...	3,474.38	17,384.69	51,195.17	72,054.24	13,222.59
1879-80..	1,750.37	13,426.31	32,371.34	47,548.02	17,080.11
†1880-1 ...	240.22	15,554.31	44,201.28	59,995.81	34,584.55

* By Order-in-Council of 10th July, 1877, the tariff of fees was reduced, but not uniformly; the reduction varied from 11 to 66 per cent; and by 40 Vic. cap. 15, when weights and measures were found on second or subsequent inspections to be correct, only 25 per cent of the full fee was to be charged.

† The Weights and Measures Act of 15th May, 1879, only required a biennial instead of an annual inspection, which

necessarily greatly reduced the gross amount of fees collected.

‡ The amount charged for equipment in 1876-7 contains some expenditure for Gas Standards. As there was at that time a vote generally applicable for equipment of Weights and Measures and Gas Standards, it was necessary to show all such expenditure together, but since that date there has been no special vote, and therefore whatever amount has been

spent for that service has appeared in the statement for the service interested, whether Weights and Measures or Gas.

We might go on over the other departments of the Government showing the same results, but this will suffice, and taken in connection with the general statement, will furnish a sufficient answer to the complaint that the expenditures of the Dominion have improperly increased under the present Administration. Those increases are, all of them, either in items that are uncontrollable or have relations to works of public utility which the condition of the revenue enables the Government to promote.

THE EMORY'S BAR-PORT MOODY COON-TRACT.

It is charged against the Government that, in letting the contract for the Port Moody section of the Canadian Pacific Railway, they lost to the country \$209,255. The facts of the case are the best answer that can be made to this charge. Tenders were advertised for for the construction of this part of the Canadian Pacific Railway, and in answer to the advertisement, fourteen tenders were sent in, ranging, according to the bulk sums named in them, from \$2,277,000 to \$3,531,832. The two lowest were D. Macdonald and A. Charlebois, \$2,277,000, and Andrew Onderdonk, \$2,486,255. By the specifications upon which the tenders were sent in, bulk sums were to be named for the work, but each tender was to be accompanied by a schedule of prices in detail, upon which that bulk sum was made up by the party tendering. This was done with the view of ensuring the good faith of the contractors, and according to the 24th clause of the specification, it was declared as follows:—

"Cash, payments equal to about 90 per cent. of the value of the work done, approximately made up from returns of progress, measurements and computed at the prices set out on the schedule hereto annexed, or fixed by the engineer for the work not specified in said schedule, will be made to the contractor monthly, on the written certificate of the engineer that the work for or

on account of which the certificate is granted has been duly executed to his satisfaction, and stating the value of such works computed as above mentioned, and upon approval of such certificate by the Minister; and the said certificate and such approval thereof shall be a condition precedent to the right of the contractor to be paid the same 90 per cent or any part thereof."

It will be seen, therefore, from this clause, that although the tender was for a bulk sum, the monthly estimates were to be made up according to the schedule of prices attached to the said tenders, the contractor being entitled to 90 per cent of these estimates. Each tender was to be accompanied by a cheque marked "good" for \$20,000. When the tenders were received and opened, it was found that the tender of Messrs. Macdonald & Charlebois was accompanied by a cheque marked "good for twenty days only." The cheque was dated January 24th, and it therefore expired on the 26th January, while the tenders were not received in Ottawa until the first of February; so that the cheque was in fact a bad cheque at the time it was enclosed with the tender to the Government. In consequence of this, on the sixth of February Mr. Schreiber, the chief Engineer, reported as follows:—

"The tender of Messrs. Macdonald & Charlebois is the lowest, but is irregular, inasmuch as the cheque accompanying it was marked by the Bank of Montreal on the 24th January, 'good for two days only.' The tender of A. Onderdonk for \$2,486,255 consequently becomes the lowest; and as he is possessed of the necessary skill and resources, and his tender is practically the same as the amount of my estimate submitted to the Hon. the Minister last year, viz., \$2,560,000. I recommend that his tender be accepted."

Sir Charles Tupper sent Mr. Bradley, his secretary, to Mr. Drummond, local manager of the Bank of Montreal, to ask whether the cheque would be paid, and found that it could not be paid without reference to the head office. This of course at once showed that it was valueless, inasmuch as an accepted cheque of a bank is, like a bank note, payable at all its agencies. The agent of the Bank in

Montreal telegraphed up that the words might be erased, and that the cheque would be good until paid; but to have admitted that would be to do away altogether with the value of this protection. If a cheque can be made good after it is discovered that the tender is the lowest, and the party is willing to accept it, there is no object in having a cheque at all; and upon this ground the Minister of Railways refused to accept the tender, acting, in fact, in accordance with the well-established rule of the department, that the receipt of a bad cheque is the

same as if no cheque had been received at all.

COMPARISON OF THE TENDERS.

On the question, however, as to whether the Government has lost anything by this arrangement, we are happily without any difficulty. The clause in the specification that has been quoted shows that the schedules attached to the tenders had an actual value. The engineers have extended those schedules with the following result:—

Name of Contractor.	Residence.	Bulk sum.	Schedule price.
		\$	\$
D. McDonald & A. Charlebois.....	Montreal.....	2,277,000	3,519,740
Andrew Onderdonk.....	Yale, B. C.....	2,486,255	2,486,255
James Murray & Co.....	St. Catharines.....	2,864,242	3,602,033
Ryan, Purcell & Ryan.....	Ottawa.....	2,970,000	3,343,556
Denis O'Brien & Co.....	Montreal.....	2,999,735	3,025,391
James Goodwin.....	Ottawa.....	3,062,000	3,216,094
William Davis & Co.....	Do.....	3,169,880	3,320,380
The Railway Improvement Co'y of N.A.	New York.....	3,190,000	3,142,185
F. J. Beemer.....	Montreal.....	3,195,705	3,492,645
E. J. Charlton & Co.....	Quebec.....	3,349,000	3,422,005
William Ede & Co.....	San Francisco.....	3,389,000	3,441,025
A. Manning & A. McDonald.....	Toronto.....	3,389,000	3,746,655
J. B. Montgomery.....	Portland, Oregon..	3,488,394	3,549,092
John Hebert & Co.....	Toronto.....	3,531,832	3,512,962

So that from this it will be seen that so far from McDonald & Charlebois' tender being the lowest, it stood twelfth on the list according to the schedule attached to it. It was \$1,242,740 higher than the bulk sum included in the contract; while the difference between the schedule prices extended and the bulk sum in Mr. Onderdonk's tender was only two thousand dollars! The inference is clear that the one tender was put in in good faith, and the other as a mere speculative bid, under which, if they got the contract, they could sell out for a good round sum, or going on with the work they could get their estimate on the

schedule prices, so that they would be paid the whole amount of their bulk sum, before two-thirds of the work was performed.

In case it should be said that the extension of the schedule prices was made improperly for a purpose, it may be worth while to give the details, in some particulars, showing the difference in the tender of Mr. Onderdonk and that of McDonald and Charlebois. From these figures it will be seen how utterly dishonest was the tender of the latter gentlemen:—

Description.	McDonald & Charlebois		Onderdonk.	
	Rate.	Amount.	Rate.	Amount.
Clearing	\$150 00	\$196 500	\$35 00	\$45,850
Grubbing	20 00	46,000	60 00	18,800
Cross-logging	700 00	12,600	1,500 00	27,000
Fencing	0 8	49 880	0 08	57,41
Solid rock excavation	1 75	966,175	1 05	579,705
Loose "	0 75	66,900	0 50	44,000
Earthworks	" 30	786,000	0 27	707,940
Line tunnels in rock	75 00	231,325	80 00	248,880
Rip-rap (hand-laid)	3 00	214,500	1 50	107,250
Rock-faced embankments and piers.	2 00	210,900	0 75	78,250
Framed timber in bridges, wharves, &c.	00 28	112,000	0 25	109,000
Piles driven, special drawings.	0 50	118,000	0 25	66,500
Wrought iron	0 12	29,520	0 10	24,800
Totals		\$3,519,740		\$2,488,265
Amount of tender		\$2,277 000		\$2,486,255

These are the larger items of the specifications, and the figures show the marked advantage of the tender of Onderdonk over that of McDonald & Charlebois.

The motive for this kind of thing is not fair to see. Messrs McDonald and Charlebois knew that Mr. Onderdonk, having the contract for the other part of the line, was deeply interested in getting this as well. They, therefore, made a hap-hazard bid, far below the lowest estimate of the engineer-in-chief, in the hope that the figures of their schedule would be overlooked, and they would get the contract and sell it to Onderdonk, as Mr. McDonald did in the case of a contract awarded him on the Yale-Kamloops section, which he sold out. The worthlessness of the cheque first called attention to their tender, and thus saved the country from loss on Mr. Onderdonk from being black-mailed. The estimate of the cost of this work by Mr. Schreiber was \$2,560,000, and the revised estimate by Mr. Marcus Smith was \$3,000,000. In the report of the latter he says, "I do not think that this sum can be much reduced in strict accordance with the plans." So far from their being anything wrong in the transaction, the contract has been awarded to the lowest tender, a tender, the good faith of which is attested by the fact that the difference between the bulk sum and the schedule prices extended, is only two thousand dollars.

THE DISALLOWANCE QUESTION.

THE STREAMS BILL.

One of the leading grounds of objection to the present Government is their disallowance of the Streams bill, and upon the strength of this Act an agitation for what is called by the attractive name of provincial rights, has been started. On the subject of disallowance there is no doubt of the power of the Dominion Government to disallow Acts passed by the Provincial Legislature. The relation of the provinces to the Dominion is precisely the same as that of the Dominion to the Government of Great Britain. In each case the power of disallowance exists. When the constitution under which we live was being discussed on the Quebec resolutions, the United States was just emerging from a terrible civil war, in which the weakness of the central authority was painfully manifest. In fact the success of the North was only accomplished by the assumption of powers by the central Government which, under the constitution, they did not possess. And drawing their inspiration from the events which had transpired and were transpiring in the United States, the framers of the Confederation Act made the central authority in the Government of Canada the supreme authority. That is the constitution, and both parties have acted upon it. No less than twenty-nine acts

of Provincial Legislatures have been disallowed; all the legislation of the Provincial Legislatures has passed under the review of the Dominion Government, and no Minister of Justice has ever exercised this power with greater zeal, or with more minuteness of suggestion than Mr. Blake. Under his administration of the Department of Justice, he commented upon a great many of the acts of the Legislature, suggesting amendments here and emendations there. Surely, if the power of disallowance did not exist, might not be properly used, this review of legislation was simply impertinence on the part of the federal Minister.

It is said that, while the power of disallowance undoubtedly exists, the right to exercise it should be confined to those acts which are strictly beyond the powers of the Provincial Legislatures to pass. But this is an absurd contention. There is no use in a power of disallowance in the central authority, if that is only to be exercised in the case of acts which are without the jurisdiction of the Provincial Legislatures. In that case the courts have proved a sufficient protection, several acts having in fact already been set aside by the courts; and any act which is unconstitutional may be so set aside. To make the Dominion Government the judge as to the constitutionality or unconstitutionality of a Provincial Legislature, would be to give to that Government the powers which pertain properly to the courts. They have it in the general power of disallowance; but they have it in common with their power to disallow any act of a local Legislature which is opposed to the interests of Canada. That this is the view of the Imperial authorities as to the corresponding power of disallowance possessed by them in relation to Dominion legislation, is proved by their disallowance of the act of the Canadian Parliament passed in the session of 1867-8, fixing the salary of the Governor-General. By the British North America Act, the salary of the Governor-General was fixed at £10,000 a year, "until the Parliament of Canada should otherwise determine." Not only, therefore, was there an implied authority conferred upon the Can-

adian Parliament to alter that salary, but it was an expressed authority, the salary being fixed only until the Parliament of Canada should otherwise determine; and yet when the Parliament of Canada did otherwise determine and passed the act reducing the salary to £8,000, the Imperial authorities disallowed the act, and no one that we know of ever questioned their right to do so.

The particular case, however, which has given rise to this discussion is the Streams Act of Ontario. The facts with regard to this act are these:—Mr. Peter MacLaren, an extensive lumber manufacturer and mill owner in the eastern part of the province, had expended not less than \$250,000 in the improvement of certain streams which, before the construction of such improvements, were utterly useless for any commercial purpose, but which, by reason solely of such expenditure, have become useful avenues for the transportation of timber and saw logs to market. On the 16th December, 1880, the Court of Chancery of Ontario, after a long and exhaustive investigation held at the towns of Perth and Brookville, made a decree declaring that Peter MacLaren was entitled to the exclusive use of the improvements erected by him, or by those through whom he claimed as purchaser, certain streams flowing through his lands; and a rival lumbering firm, who were asserting a right to use these improvements without paying for them, were restrained by an injunction from so doing. These parties were offered the use of the improvements at a reasonable toll, if they would acknowledge Mr. MacLaren's proprietary rights, but this offer they rejected. They were prominent Liberals; Mr. MacLaren, unfortunately for himself, was a Conservative; and his opponents therefore applied to the local Legislature, controlled by their friends in the local Government, to get an act passed which would enable them to use these improvements practically without compensation. It is important to remember, as was established beyond controversy, that before the making of the improvements in question and when these streams were in their natural state, it was impossible to drive logs down the

Mississippi above the High Falls or down the Buckshot or Loose Creeks, even during freshets; and it is said that the same is also true of the south branch and Swamp Creek. It was also established in the evidence taken before the Court that the whole value of these streams, as floatable avenues of commerce, had been occasioned by the expenditure of Mr. MacLaren, and others of whose lands he had, from time to time, become the purchaser. Skilled lumbermen and engineers exploring in the localities on numerous occasions pronounced many of the places utterly impassable, and the consequence was that the grand timber limits along the upper portions of these streams were, and would to this day have remained, comparatively valueless, but for the expenditure on improvements thereon. It is said that in no stream in the Province of Ontario can works of similar magnitude be found as the result of private and individual effort. Mr. MacLaren had been permitted, until his right was questioned by Messrs. Caldwell during the year 1880, to use these improvements, his rights being respected by the lumbermen in the district. The expenditures on the improvements were made since the courts of the province had declared that the general public had no right to use streams which, in their natural and unimproved state, were not of use for driving logs and timber even during freshets; and in making such a large expenditure MacLaren fully believed that he was improving his own private property, and that no attempt would be made to deprive him of his rights, and to compel him to share the benefits of his own property with a firm that had not expended a single dollar in improving the stream. In the case of MacLaren *vs.* Buck, tried in 1875, Mr. Justice Gwynne, in giving his decision, said: "By this decision we should be bound, even if it did not, as it does by its sound sense, recommend itself to our approval. The statute therefore does not interfere with the right at common law of the proprietor of land on both sides of the stream down which, in its natural state, without improve-

ments, logs, timber, &c., could not be floated." The object of the Act of Parliament passed was to enable Mr. Caldwell to obtain the use of these improvements for which he had paid nothing, by virtue of an Act of Parliament. The Act was objectionable on two grounds, first, that it interfered with undoubted private rights—was, in fact, an act of confiscation, which, if the power of a central authority is worth anything at all, ought to be prevented by the exercise of that power; and in the next place it was an interference with a suit then pending, and an attempt to override the decisions of the courts by an Act of Parliament, not only to declare what, in the future, should be the law, but to declare what had always been the law, and that in a sense different from the decisions of the courts down to that time. It is not a question of whether it would be wise for the Province of Ontario to take possession of all improvements on streams down which timber and sawn logs are floated—that is a fair question for discussion; but certainly, by every principle of jurisprudence, when the Government undertook to do that they should have compensated the parties for any improvements made upon those streams in good faith and under the impression, sanctioned by the decisions of the courts, that they had a right to make them for their own use. A good authority on the subject says:—"It is a rule founded in equity and is laid down by jurists, as an acknowledged principle of universal law, that a provision for compensation is a necessary attendant on the due exercise of the power of the law-giver to deprive an individual of his property without his consent." This was precisely one of those cases where the authority of the central Government ought to be exercised, if private and personal rights are to be protected in Canada.

THE CANADIAN PACIFIC RAILWAY.

The Opposition describe the contract entered into with the Canadian Pacific Railway Company to construct the Pacific Railway as the "Giant among Swindles," and as "the most disastrous public con-

tract," and "the greatest railway swindle of the 19th century." These are very strong expressions, and a mere statement of the facts will show how little they are deserved. The building of the Pacific Railway was part of the terms of the entrance of British Columbia into Confederation. At that time both parties agreed that it should be built by a company, aided by subsidies of land and money, but so as not to increase the burden of taxation. The only difference between parties was that embodied in Mr. Dorion's amendment to the effect that it should be built by a company and "not otherwise." The first contract let for building the road was that with Sir Hugh Allan entered into in 1872. That arrangement fell through because Sir Hugh Allan was unable to obtain the necessary capital in England to build the railway. When Mr. Mackenzie came into office almost his first act was to pass the Canadian Pacific Railway Act, in which he provided for the construction of the railway by a company who were to be given subsidies in land and money as specified by the Act. And almost the last act he performed before he went out of office was to put an advertisement in the papers announcing that the Government were anxious to construct the railway on the terms of the Act of 1874, and soliciting offers from capitalists for that purpose. In entering into the contract, therefore, in 1880, for the construction of the Pacific Railway with the present Company, the Government have acted in accordance with what has been the policy of both parties since 1872. There should therefore be no controversy as to the propriety of letting the contract to a company.

THE PRESENT AND FORMER CONTRACTS.

The only question is as to the comparative value of this contract. The only element of doubt in these calculations is as to the value of the land. The Opposition are disposed to value it at \$3 an acre, although they have over and over again declared, when discussing the question of the Pacific Railway before the bargain was entered into, that all the returns from the land grant would be absorbed in the cost of administration and settlement. It is

worthy of note, however, that the higher the price put upon the land the more favorable does the present contract appear as compared with the other proposals. Taking the land at \$2 an acre we have the following results:—

THE SIR HUGH ALLAN CONTRACT.

54,500,000 acres of land at \$2 an acre.....	\$109,000,000
Cash subsidy.....	30,000,000
Total.....	\$139,000,000

MACKENZIE'S ACT OF 1874.

55,940,000 acres of land, including the land subsidy to branches at \$2 an acre.....	\$111,880,000
Cash subsidies, \$10,000 per mile..	27,970,000
Government guarantee, four per cent on \$7,500 per mile.....	20,977,500
Total.....	\$160,827,500

THE PRESENT CONTRACT.

Existing Government contracts completed....	\$ 28,000,000
Cash subsidy.....	25,000,000
25,000,000 acres of land at \$2 an acre.....	50,000,000
Total.....	\$103,000,000

So that as to the bulk sum the contract is \$36,000,000 less than they entered into with Sir Hugh Allan, and \$57,827,500 less than that proposed by Mr. Mackenzie. If it is said that the land is more valuable now because the country is better known, we can even take this view. Assuming for the purposes of the present contract that the land is worth \$3 an acre, although the Pacific Railway Company are selling it at this moment at \$1.50, the total subsidies under the contract are still \$33,000,000 less than Mr. Mackenzie's proposal, even assuming the land in the latter case at only \$2 an acre. A common argument used is that Mr. Mackenzie's proposal was made when very little was known of the country and that it is not therefore fair to compare the subsidies of to-day with the subsidies of that day. Here is the answer to be made to this contention. Although Mr. Mackenzie's Act was passed in 1874 the advertisement asking for tenders under it was published in 1878, so that down to that time at any rate he did

not consider the subsidy as too high; and in 1879, when he was in Opposition, on the debate on the Pacific Railway, Mr. Mackenzie thus referred to his own proposal which even then he believed to be utterly insufficient to secure the construction of the Canadian Pacific Railway:

"The hon. gentlemen opposite and the whole country are aware that we solicited tenders in England for some months upon this ground, before hon. gentlemen opposite came into office; also that Mr. Sandford Fleming, the Chief Engineer, was instructed while in London, to place himself in communication with contractors and financial men, and also to obtain the assistance of Sir John Roe, who in many things had been the active, energetic and patriotic agent of the Dominion with a view to the carrying out of this scheme. But I am informed that notwithstanding all our efforts, we signally failed in obtaining one single offer (there was one imperfect offer made) for the construction of the railroad on those terms, which were the grant of 20,000 acres and \$10,000 cash per mile, with a guarantee of 4 per cent. upon such balance as might be represented as necessary. No terms could be more explicit; it would be difficult to mention terms more favorable, and yet the hon. gentleman seems to expect, by his speech, that the colonization scheme with the 100,000,000 acres instead of the 50,000,000 acres and \$30,000,000 current money, is somehow or other, to succeed in getting this road built. His own remarks showed to-day that it is utterly useless at present for him to expect British railway contractors, or great financial firms to engage in any railroad enterprise on this continent. Much of this is due to the want of confidence which he tells us is experienced in financial circles in Britain, and a great deal is due to the unwise legislation in Canada and the provinces with respect to railway lines, and to the fact that foreign capitalists have obtained little or no return for the money they have laid out in this country. I have made up my mind long ago that it will be exceedingly difficult for a population of 4,000,000 so to conduct financial transactions connected with the building of that railroad of 2,600 miles, across an unknown and almost untrodden continent, in many places extremely difficult. I frankly say now after my experience in endeavoring

to accomplish something in that direction, that I fear we shall be incapable of accomplishing anything in that direction at present."

It will thus be seen that in 1879 Mr. Mackenzie, with all the experience he had derived, looked upon the construction of the railway by a company with the enormous subsidies provided in his act of 1874 as an impossibility. His concluding words in view of what was accomplished within a year afterwards are very significant:

"I frankly say now after my experience in endeavoring to accomplish something in that direction that I fear we shall be incapable of accomplishing anything in that direction at present."

THE COST OF THE RAILWAY.

The popular Opposition argument is that the road to be built by the Pacific Railway Company will only, according to the estimates submitted by the chief engineer in 1880, cost \$48,500,000, and for this the Government gave 25,000,000 of acres of land and \$25,000,000. Even admitting these estimates were correct, this arrangement is equivalent to a sale for cash of 25,000,000 of land in the Northwest Territories at a dollar an acre. When we remember that the Government are at this moment offering land for settlement in the most favored parts at \$1.25, from which is to be deducted the cost of administration and settlement, it must be admitted that it is a tolerably good bargain, especially so when in addition to the sale of this land the Government have secured the construction of a railway, the interest of a large corporation in the settlement of the country, and the improvement in the value of the lands remaining in the hands of the Government by means of the transportation afforded to settlers. These statements, however, that the roads to be built by the Syndicate will only cost \$48,500,000, were not accepted by the Opposition at the time they were made. The estimate was based upon the rate of wages prevailing at that time, which were very much less than they are to-day. It was for the cheapest kind of a

colonization railway, while the Pacific Railway Company are building a first-class substantial road. It was based, in fact, on a contract let for the first 100 miles west of the Red River. The contractor for that 100 miles subsequently failed, and the work done by him has been taken up by the Pacific Railway Company, and a superior road built.

MR. BLAKE'S OPINION OF THE COST.

We have, however, some authorities on this point which the Opposition will not dispute. Mr. Blake, in discussing the question in the session of 1880, thus gave his estimate of what it would cost to build the railway as a Government work:—

"According to the old system of construction that central section would cost, including the other items I have mentioned, altogether over \$42,500,000, leaving out entirely both ends. What are the ends to cost? \$45,000,000 is, as I have stated, the cost from Edmonton to Burrard Inlet, on the west; and from Fort William to Nipissing, on the east, the hon. member for Lambton estimates at a length of about 650 miles and a cost of \$32,500,000. Thus the ends make up together \$77,000,000, the centre and the past expenditure \$42,500,000, making a total of \$120,000,000, and that wholly exclusive of the legitimate and necessary charge, which must be added in all cases, the charge for interest during construction. In all enterprises of this description every estimate with reference to expenditure includes a provision for interest on capital provided during construction, before the enterprise becomes productive, and this item is to be considered in the reckoning. The House may be surprised to learn that on our expenditure up to this time, and rating the interest at 4 per cent only, as the money was raised partly on guarantee that interest up to 30th June next will exceed \$1,250,000. Taking the estimates of ten days ago, if \$60,000,000 are expended in the next ten years, there will be a total of over \$24,500,000 for interest, calculating interest on future loans at 5 per cent, the lowest rate, as I believe, at which the money can be raised."

'That was as to the cost of building the railway, but Mr. Blake referred to another element of cost which was quite as great, namely, the cost of working it after

it was built, of which the country to-day is relieved by this contract.

"Now, besides this enormous expense to which I have referred, besides this aggregate of I do not know how many millions of dollars, the interest of which, according to the old estimates, will be six millions a year, we have got to consider the running expenses. These expenses Mr. Fleming estimated in former days at \$8,000,000 a year, but my hon. friend from Lambton estimates them at a gross sum of \$6,750,000 a year for the whole line or \$4,500,000 a year from Port William to the Pacific. Of course, against this sum are to be set the receipts, which will be considerable and will, in some sections of the road, perhaps, meet the expenses; but in the early days, and for a long time, the road as a whole will, I believe, be run at a loss. Thus you have a charge for interest and expenses for this Pacific Railway, to which if you add the cost of interest during construction places it, according to any estimate you may form, wholly beyond the resources of this country to do the work in that way, and at the rate that the hon. gentleman has suggested."

These were the views of Mr. Blake in the month of March, 1880, some eight months before the Pacific Railway contract was entered into; and even allowing for Opposition exaggeration, they show how much the country has gained by escaping from the indeterminate liabilities connected with the construction and working of this railway as a consequence of the contract entered into with the Pacific Railway Company.

It is said, however, that the company have only the easy portions of the railway to build, the Government continuing to construct the heavier portions. This statement is untrue. The Pacific Railway Company have to build 650 miles north of Lake Superior, which every one knows to be very heavy work. They have to build 450 miles through the Rocky Mountains from the eastern slope to connect with the Yale-Kamloops line, in addition to the prairie section which they are constructing now as a first-class railway, with iron bridges and steel rails. It is in fact impossible to estimate the cost of railways before they are built. The capital of the Grand Trunk Railway to-day represents four times the original estimate of its cost. The Gov-

ernment railways of the Province of Quebec have cost nearly double the original contract price, and the section of the Pacific Railway between Thunder Bay and Selkirk will cost 50 per cent. more than the engineer's estimates. All these contingencies are assumed by the Canadian Pacific Railway Company, the Government being relieved from them by means of this contract. We know what our liabilities are connected with the Canadian Pacific Railway contract. Before it was entered into these liabilities were sources of anxiety to every thoughtful man in the country. By the contract we have secured the construction of the railway far within the amount provided by Mr. Mackenzie as the annual expenditure in connection with it in 1874 under the Carnarvon terms. By these terms he appropriated \$3,000,000 a year for the completion of the railway from West of Lake Superior to the Pacific Ocean. To-day if every obligation incurred by the construction of this railway were completed, if all the subsidies were paid, the annual charge upon the Dominion, taking the interest at 4 per cent., would only be \$2,120,000, or \$880,000 less, for the whole road, including the portion north of Lake Superior, than Mr. Mackenzie appropriated in 1874 for the line from Thunder Bay to the Pacific Ocean. It is impossible to imagine an arrangement more in the interest of the country than the contract for the construction of the Canadian Pacific Railway.

THE QUESTION OF EXEMPTIONS.

It is claimed, however, that enormous privileges are granted by this contract. In the campaign sheet issued by the Opposition in Parliament, we have these two statements, which may be taken as fair specimens of the kind of arguments used by the Opposition:—

- "Exemption from duty on rails, cars, engines, lumber, wire and all material (estimated)..... \$5,000,000
- "Exemption from tax on land grant for 20 years (estimated), \$5,000,000; and on road and capital forever (estimate capitalized), \$7,250,000..... 12,250,000

This statement is grossly inaccurate. In the first place, the exemption from duties do not include cars, engines and lumber, as stated. The exemptions, according to the contract, are on "steel rails, fish plates, bolts, nuts, iron for bridges used in original construction of the road, wire and apparatus for the ordinary construction and equipment of telegraph lines." Now, so far as steel rails are concerned, there is no duty upon them at this moment, nor has there ever been. There is therefore no privilege granted to the Canadian Pacific Railway in this that is not given to all others. The rolling stock has to pay duty. Everything, in fact, pays duty to-day except fish plates, bolts, nuts, iron for bridges, wire and apparatus for original construction and equipment of telegraph lines, and it is only for use in the original construction of the railway. The estimate made by the engineers of the Department declares these exemptions would amount in the aggregate for the whole road to about \$110,000, instead of \$5,000,000 as stated by the Opposition in their campaign sheet.

THE LAND TAX EXEMPTION.

Then, as to the exemption from taxation of the land grant for 20 years, and on the road and capital for ever, which the Opposition campaign sheet estimates at \$12,250,000, that estimate is equally absurd. So far as the exemption from taxation on the land grant is concerned, it is actually less than was provided under the Act of 1874. Mr. Mackenzie provided in that for a grant of land of 54,000,000 in round figures, and he provided that as to two-thirds of it the administration of it should remain in the hands of the Government, the proceeds being handed over without deducting the cost of administration to the company. Under these circumstances there would be some 34,000,000 acres of land which remained in the hands of the Government that would be exempt from duty for all time, or until sold and not simply for 20 years, as provided by this contract. Then, again, Mr. Blake, when Minister of Justice refused to recommend the sanction of an act of the British Co-

lumbia Legislature imposing taxes upon the land which has been reserved by the Lieutenant-Governor, upon the ground that as these lands would be required to aid in the construction of the Pacific Railway, any tax upon them would be a serious impediment to their usefulness for that object, thus affirming the principle that the land should be free from taxes. In the State of Minnesota and in Wisconsin, and in nearly all the States of the Union where land grants have been given for the construction of railways, the land is exempt from taxation until sold or occupied. In this case, the Pacific Railway are selling their lands as rapidly as possible. They are giving great inducements to settlers to go upon them, and in some cases they have sold large blocks to companies upon conditions of settlement. In every case where lands are sold they are subject to taxation at once, so that the lands are precisely in the same position as if they remained in the hands of the Government, and it is perfectly absurd to talk about \$5,000,000 or any other sum as the value of this concession.

THE GENERAL TAX EXEMPTION.

Then as to the exemption of the road and capital from taxation for ever. There is quite as little in that. In the provinces of Nova Scotia and New Brunswick railways are free from taxation by law. In the Province of Ontario subsidies are given to the construction of railways by the municipalities far in excess of the value of any exemption that can be made. It should be remembered, however, that the exemption is only upon the road bed. The capital of railways is not subject to taxation anywhere simply because it has no municipal habitation and therefore cannot be taxed. The rolling stock of railways is not subject to taxation anywhere because it does not belong to any particular locality, and it is within the experience of people in this country that it is not taxed. It is simply the ground between the fences of the railway, valued as farm lands, without respect to the improvements made upon them by the construction of the railway. Whatever that amounts to it amounts to

very little, as anyone can ascertain by inquiring at the office of the municipal clerk in any township in Ontario or Quebec how much the railways pay in municipal taxes. It is simply in the nature of bonuses given by settlers to the railway. It is all they contribute towards the construction of it and it is certainly not too much to ask.

THE SO-CALLED MONOPOLY CLAUSES.

And, finally, as to what is called the monopoly clause of the contract, that is, a clause adopted in the interest of the country, not of the company, although the company will undoubtedly derive advantage from it. It has been the policy of the Canadian Government for all time. In 1872 three acts were passed, incorporating independent companies for the construction of railways from the boundary into the interior of Manitoba. They each contained a clause requiring a proclamation of the Governor-in-Council to bring them into effect. During the time Mr. Mackenzie was in office Mr. Geo. Stephen, President of the Canadian Pacific Railway Company, who was interested in the St. Paul & Manitoba Railway, made application to that gentleman to issue a proclamation to bring into effect one of the charters in which he was interested. Mr. Mackenzie refused to do this on the ground that the trade of the Northwest Territory must be reserved for the Canadian Pacific Railway, and that he would not permit independent lines to be built upon the frontier. In 1879, when a number of charters were sought in the Dominion Parliament, Sir Charles Tupper, in the Railway Committee, announced the policy of the Government, which was, that there should be no charter allowed to tap the boundary or go within 20 miles of it, upon the ground that the trade of the Northwest Territory must be reserved for the trade of the Canadian Pacific Railway, to assist in its construction as a Canadian work. Mr. Mackenzie, at that time leader of the Opposition, assented to this view, and declared that it met with his entire approval, was in fact in accordance with the policy he himself had pursued. It is just as important, therefore, that the trade should be reserved for the Canadian

Pacific Railway when it is in the hands of a company as if it was in the hands of the Government. And that is all there is in regard to the monopoly clause by which is secured the construction of an all rail road on Canadian territory, connecting British Columbia and the Northwest with the older provinces. In order to accomplish that it is absolutely necessary that American lines should not be permitted to tap the trade of the country at intervals and draw it off to American railways and centres of commerce.

FREIGHT RATES OF THE RAILWAY.

What the people of that country are interested in is that there shall be no monopoly in the sense of high rates of freight. Within the territory there is no monopoly. Several charters have been given for the construction of railways from Winnipeg westward, in direct opposition to the Canadian Pacific Railway, and so little is the Government disposed to grant monopoly of traffic to the Canadian Pacific Railway that they have actually aided, by subsidies in land, two of these opposition lines. From Winnipeg, which will become the great distributing point of the Northwest, there will be two outlets, one north of Lake Superior and one at Thunder Bay, thence by steamers on the lakes. This will secure for the people of the Northwest most ample competition in the matter of freight rates, and the charter provides the most complete security for the public, by giving to the Government control over the rates of freight. Under the law, as it existed in Canada for many years, no railway could charge a freight rate until they had submitted their tariff of rates to the Government, and it had received the sanction of the Governor-in-Council. Having once secured that sanction, the Government could not interfere with the charges until the company were receiving 15 per cent. upon the capital invested. In this case the Government altered the law and reduced the profit which the Company are entitled to receive before an interference can be made with their tariff of rates, to 10 per cent. They also passed a law declaring that the capital actually invested upon which profit was

to be drawn, should be money invested irrespective of all subsidies from the Government, and of all moneys derived from the sale of bonds bearing a fixed rate of interest. That was as perfect a security as could possibly have been arranged. What was the result? The Government have assented to a tariff of rates, but for one year only, retaining in their hands the power of constant revision—and this because of the rapid development of the country which would make rates, which might to-day be considered as very reasonable, altogether too high five or six years from now when the country gets filled up. The Minister of Railways during the last session of Parliament submitted a statement carefully prepared by the officers of his Department of the rates of freight on the following railways:—Intercolonial Railway, Prince Edward Island Railway, Canadian Pacific Railway Company, Canadian Pacific Railway (under Government), Central Vermont Railway, Toronto, Grey & Bruce Railway, Canada Central Railway, St. Paul, Minneapolis & Manitoba Railway, Northern & Northwestern Railway, Grand Trunk Railway, Chicago, Milwaukee & St. Paul Railway, Atchison, Topeka & Santa Fe Railway, Northern Pacific Railway, Union Pacific Railway, Chicago, Burlington & Quincy Railway, Chicago & Northwestern Railway.

According to this statement the average of 13 roads, excluding the Government railways, is 45½ cents; of the Canadian Pacific Railway, 34 cents; and of six roads 66½ cents and the Canadian Pacific Railway 45 cents. From this statement it appeared further that the first thing the company did was to reduce their tariff below the amount which the Government had charged for the same service before the road passed out of their hands, and that its rates are considerably below those of many roads. The Atchison, Topeka & Santa Fe Railroad charges 75 cents for the service, for which the Canadian Pacific charges 45 cents; the Northern Pacific charges 80 cents for the same service; the Union Pacific 60 cents; the Chicago, Burlington & Quincy Railroad 59 cents, and so on. The same relation is held through the various classes

of freight on these railways. As a matter of fact the rates on the Canadian Pacific, as fixed by this order-in-council, are about midway between the winter and summer freights on the Grand Trunk Railway. These facts are sufficient to show that while, by this so-called monopoly clause, we secure the trade of the Northwest for our Canadian system of railways, and our Canadian ports and business men, at the same time, by the arrangement of tariff rates, we have secured for the settlers in the Northwest actually better terms than the settlers in corresponding districts in the Western States are enjoying.

THE BRANCH LINES.

There is another feature connected with this bargain, that relating to the branch lines, which is worth while referring to. The Government of Mr. Mackenzie, by a bill introduced by Mr. Mills in 1878, proposed a system of constructing colonization lines. Under that bill any five persons making application could obtain a charter to build a railway, provided it did not go within 40 miles of the Canadian Pacific. They were entitled to a land grant varying from 6,400 acres per mile to 12,000 acres, or to a commutation of the land grant for a money subsidy of \$10,000 a mile. The Pacific Railway Company have already located a thousand miles of branch lines. They have constructed nearly 100 miles, and are going on with the work of construction very rapidly. This thousand miles of railway will be built by them without a dollar of subsidy of any kind from the Dominion Government, and none of the exemptions applied to the main line are applicable to these branches, so that in order to make a fair comparison between the work they are doing and the cost to the country and the policy of the Mackenzie Government in relation to the Pacific Railway, it is necessary to add to the latter \$10,000,000 for branches, which, under the present contract, are being built for nothing.

THE SECOND SYNDICATE.

There is but one argument remaining to be noticed, and that is that another company offered to do this work

for a great deal less money. This second syndicate was probably the most discreditable piece of political tactics which has ever been resorted to by a parliamentary party. It was composed of gentlemen, all of whom were supporters of Mr. Mackenzie, seven of them being defeated candidates for Parliament. During all the time that Mr. Mackenzie was looking for some one to build the railway on terms which as has been seen were much more liberal than those that are now given, they never moved. All the time that the present Government were urging in Parliament their anxiety to secure the construction of the railway by means of a company, they never moved.

Sir John Macdonald at a picnic at Bath in June, 1880, announced that some offers had been made to the Government for the construction of the railway, and that he hoped to be able to make arrangements with a private company to build the line. That was, in fact, an invitation to any capitalists who might desire to undertake the work to place themselves in communication with the Government. When the Ministers were in England we had daily reports of their progress, and yet these gentlemen remained silent, not even suggesting that they would undertake the work. In October, when an election was going on in Brome, Sir Charles Tupper announced that the arrangements for a contract had been made, giving the figures of 25,000,000 of acres of land and \$25,000,000 and existing railways completed as the general terms of the arrangement. He suggested that there were still some matters of detail to be fixed, and yet those gentlemen who considered that too high a price never placed themselves in communication with the minister on the subject. When the scheme was brought down to Parliament in December, 1880, these men still did not move. When the Christmas recess took place, meetings were held all over the country by Mr. Blake and others, and still there was no suggestion from these gentlemen that they were anxious to construct the railway upon better terms. It was only when the meetings showed that popular agitation against the contract was not likely to be successful, and after Par-

liament had reassembled, that they put a tender almost in the precise words of the contract already entered into, with the exception that the bulk sums were somewhat lower. But they took care to intimate in that contract that they were prepared to drop the eastern end of the line and the western end as well, and build the prairie section alone. To have accepted it must have involved the retirement of the Government. Mr. Blake's policy being simply to construct the prairie section, leaving the ends for future time if this company could have got the contract for this valuable part of the road at subsidies, which were for this section standing alone, very high, they would have been rewarded for the part they had played in defeating the Conservative administration. No Government respecting itself could have set aside a contract made under the circumstances, and no Parliament which had the interest of the country at heart would, in view of the great difficulties which all parties admit existed in getting a company to build the railway, have cast aside an advantageous arrangement made not only with Canadian capitalists, but with important European financial houses as well, because a number of politicians anxious to defeat the Government chose to make an offer which all the circumstances show they never intended or proposed in any way to fulfil. Upon no ground has the Government of the day a greater claim to the confidence of the country than in the fact that they have secured the construction of the Canadian Pacific Railway on terms so favorable as those embodied in the present contract.

THE BOUNDARY QUESTION.

A question upon which it is said in Ontario a chief battle is to be fought is the refusal of the Government to confirm by act of Parliament the award of certain arbitrators on the subject of the boundary between Ontario and the Northwest. A great deal of indignation has been expended by the Opposition upon this ques-

tion, and the Provincial Government of Ontario being in league with the Opposition at Ottawa has joined in the fray, notwithstanding that the difficulties connected with the question to-day are entirely due to their own neglect, and to the neglect of their friends of the MacKenzie Administration. A single history of this case is the best way of dealing with it. By a return brought down during the recent session, it appears that on 17th July, 1871, Governor Howland wrote to the Secretary of State pointing out the importance of the appointment of a commission to determine "the true boundary or division line separating the Province of Ontario from what is known as the Northwest Territory." On the 28th July the Government at Ottawa consented to the appointment of a commissioner and named Mr. Tache, of the city of Quebec for the purpose. On the 21st September Governor Howland replied naming the Hon. Wm. McDougall as the commissioner for the Province of Ontario. On the 6th January, 1872, the Government of Ontario having in the meantime been changed and Mr. Blake being in possession, a letter was addressed by Governor Howland urging the importance of the draft of instructions being at once transmitted to the Government of the Province of Ontario for their consideration; and on 11th March, 1882, that draft was prepared and sent. On the 25th March a minute of council of the Government of Ontario was transmitted, in which it is said "the committee advise that the Government of Canada be informed that the Province of Ontario claims the boundary line is very different from the one defined by the said instructions and cannot consent to the prosecution of the commission for the purpose of marking on the ground the line so defined, and that the commissioner appointed by the Government of Ontario should be instructed to abstain from taking any further action under his commission." It will thus be seen that the first difficulty in the way was made by Mr. Blake's Government in 1872. On the 9th of April a report of the committee of the Privy Council was adopted, in which, after reciting the facts up

to that time, the committee say:—"The committee of the Privy Council regret that the Government of Ontario, while expressing their difference of opinion from that of the Dominion, omitted to give their own views on the subject; and they did not state what their claim was." And then, after pointing out how important it was to have the boundary fixed, the report concluded as follows:—"Should it be found, after an interchange of opinions, that the two Governments cannot agree as to the location of the line, the committee do not doubt that both Governments will feel it their duty to settle without delay upon some proper mode of determining, in an authoritative manner, the true position of such boundary." In answer to this, on the 19th of April an Order-in-Council of the Ontario Government was passed defining their view as to what the boundary should really be, and suggesting that in the event of the Government of Canada not concurring in their view, they would be prepared "to consider any proposal which may be made by that Government for the establishment of a conventional limit to the north of that watershed"—the watershed of the St. Lawrence system. On the 1st of May the Minister of Justice prepared an order which contained the following:—

"Having reference to the prospect of a large influx of people into the Northwest Territories, it is very material that crime should not go unpunished or unprevented, and in this view the undersigned has the honor to suggest that the Government of Ontario be invited to concur in a statement of the case for immediate reference to the Judicial Committee of the Privy Council of England, with a view to the settlement, by a judgment or decision of that tribunal, of the western and northern boundaries of Ontario.

"This is the more necessary as no conventional arrangement between the two Governments, as to boundary, can confer criminal jurisdiction on the Courts of Ontario, unless the place where any crime may be committed is, by law, within the Province.

"The undersigned has the honor, also, to

call attention to the fact that the mineral wealth of the Northwest country is likely to attract a large immigration into those parts, and, with a view to its development, as well as to prevent the confusion and strife that is certain to arise and continue among the miners and other settlers so long as the uncertainty as to boundary exists, the undersigned begs leave to recommend that the Government of Ontario be urged to arrange with that of the Dominion for some joint course of action as to the granting of land and of mining licenses, reservation of royalties, &c., and for this purpose he would suggest that the Government of Ontario be moved to appoint a Commissioner to meet the Hon. J. C. Atkins, and arrange some joint system; and that any such arrangement, when ratified by the two Governments, shall be held to bind both, and shall be subject to the decision of the Judicial Committee of the Privy Council upon the question of the boundary; and that after such decision, titles to lands or mining rights shall be confirmed by the Government, whether of Canada or of Ontario, as shall, under the decision of the Judicial Committee, be the proper party to legalize the same."

In answer to this, on 31st May a minute of Council of the Ontario Government was sent, in which the following was made as a counter suggestion:—

"With reference to the proposed submission to the Judicial Committee of the Privy Council, this Committee begs to observe that the solution of the boundary question depends upon numerous facts, the evidence as to many of which is procurable only in America, and the collection of which would involve the expenditure of much time; and upon the whole the Committee is of opinion that the more satisfactory way of settling the question, should the Government of Canada still decline to negotiate for a conventional boundary, would be by reference to a commission sitting on this side of the Atlantic, and the Committee recommends that, without for the present dealing definitely with the proposal of the Government of Canada for a reference to the Judicial Committee, this counter-suggestion should be made to that Government."

Then again, in reply to this, by a minute of Council of November 7th, 1872, (some correspondence having taken place in the meantime) the Government at Ottawa thus reiterated its preference for an

authoritative decision by the Judicial Committee of the Privy Council:—

"The committee are of opinion that the evidence upon which the decision of the boundaries in question would depend, is chiefly, if not altogether, of a documentary character, and would be found rather in the Imperial Archives than in America, and that any which exists here might readily be supplied, whilst an authoritative decision by the Judicial Committee of the Privy Council would be final, and command that general assent which is so important in endeavouring to adjust questions of an inter-provincial character.

"There are objections, also, to this proposal as regards the mode of conferring legal powers upon such a commission, which it would be found very difficult, if not impossible to deal with, and the committee doubt whether any other tribunal than that of the Queen in Council would be satisfactory to the other Provinces of the Dominion in the decision of questions in which they have a large interest, the importance of which is, by current events, being constantly and rapidly augmented, and they respectfully recommend that the proposition for a reference to Her Majesty in Council be renewed to the Government of Ontario."

Some further correspondence ensued of an unimportant character, when, on December 5th, 1873, after a change of Government had taken place, the Ontario Government wrote to ask that the Secretary of State for Canada would "be good enough to obtain, through the Colonial Office, for the use of my Government, tracings of the maps used by the English and French plenipotentiaries in 1713 and 1763, and of those sent at different times by the Hudson's Bay Company to the Lords of Trades and Plantations, copies of all correspondence between the Governments of England and France upon the subject, and also copy of the instructions given to the English Commissioners appointed under both the Treaty of Ryswick and the Treaty of Utrecht, together with any reports which they may have made." In view of the fact that the Government of Ontario had just refused to refer this question to the Judicial Committee of the Privy Council, upon the ground that the evidence upon which it should be decided was to be found on

this side of the Atlantic, this request was certainly sufficiently extraordinary, and it appears the more extraordinary when the answer of Lord Kimberley is looked at. He said that from a preliminary examination it appeared that between 1713 and 1763 there were no fewer than 165 volumes of correspondence with France alone, three volumes relating to the Treaty of Ryswick and 37 volumes of instructions with reference to the Treaty of Utrecht. Of maps there appeared to be about 50 relating to Canada, besides various volumes of charts, &c. Lord Kimberley pointed out that although the authorities of the Record Office are desirous of giving every assistance in their power in obtaining the requisite information, they are unable to undertake such an exhaustive search as the examination of all the documents would involve, under which circumstances he suggested "that some gentleman should be appointed by the Canadian Government to make the necessary search and to decide what documents it may be desirable to copy." Surely, under these circumstances, the ground upon which a refusal to submit this question to the judicial committee of the Privy Council, that the evidence was chiefly on this side of the Atlantic, must appear to be a very foolish one. Nothing further was done in the way of securing a settlement of this question until 12th November, 1874, more than a year after Mr. Mackenzie came into office, when a minute of council was adopted concurring "in the proposition of the Government of Ontario to determine, by means of a reference, the northern and western boundaries of that province, relative to the rest of the Dominion;" and in this minute Mr. Mackenzie "further recommends that the Dominion agree to concurrent action with the Province of Ontario in obtaining such legislation as may be necessary for giving binding effect to the conclusions arrived at, and for establishing the northern and western limits of the Province of Ontario in accordance therewith." That minute was passed on 12th November, 1874. The arbitrators appointed under it appear to have done nothing. Subsequently other arbitrators were appointed, and

in 1878 the award that is now the matter of dispute was made.

What, however, is remarkable is that, although in November, 1874, Mr. Mackenzie recommended that concurrent action should be taken with the Ontario Legislature in obtaining legislation for the purpose of giving binding effect to the conclusions to be arrived at by the arbitrators, no such action was taken by the Parliament of Canada, no act of Parliament having been passed. The Ontario Government did pass an act, but they put a clause in it bringing it into effect only upon the proclamation of the Lieutenant-Governor-in-Council. That proclamation never was issued, so that both the *Liberal Government at Ottawa* and *Mr. Mowat's Government in Ontario* neglected to take the necessary steps to give binding effect to the award of their own arbitrators.

Much has been said about the unfairness of not accepting an award of arbitrators made by parties to a dispute; but it may fairly be suggested that no one is ever bound by an arbitration unless regular articles of agreement are drawn up before the arbitrators begin their work, agreeing to abide by their decision. In this case it could only be by acts of the Parliament of Canada and of the Legislature of Ontario that a proper submission could be made, and a binding award given; and if to-day there is any dispute on the subject, it is due to the fact that Mr. Mackenzie and Mr. Mowat both neglected to do what the former in his minute of Council of the 12th November, 1874, declared to be necessary in order to give effect to the award that was to be made. On 31st December, 1878, Mr. Hardy, the Provincial Secretary, wrote to the Government at Ottawa asking that an act might be passed to confirm the award. In this letter he says:—"The Act, I presume, may be in substance the same as R. S. O. (Revised Statutes of Ontario), cap. iv, with the variations necessary in consequence of the award having now been made. No proclamation was issued as had been contemplated when the Act was passed." Why was this proclamation not issued? Why did these Liberals who are now so

excited on the subject of this award not adopt the necessary measures to give it effect? The answer to this question is to be found in the *Globe* newspaper of February 14th as follows:—"Had there been any ground whatever for suspecting that the award was in the slightest degree too favorable to Ontario, the Dominion Government might have been justified in failing or refusing to be bound by it. Mr. Mackenzie, with his usual caution, reserved the right to do so for cause," so that it actually turns out that the neglect to pass the necessary legislation by Mr. Mackenzie was with the express object that he did not desire to be bound by the award of the arbitrators; and we presume the same reason dictated the neglect of the Ontario Legislature to issue the required proclamation. Under these circumstances it certainly cannot be urged that the award should be sanctioned simply because the arbitrators chose to make it.

It should be remembered that this award is not in any way in accordance with the submission. The arbitrators were appointed for the purpose of determining the true boundary of Ontario. They certainly did not give Ontario what was claimed by that Province. Mr. Mills, for instance, in his work upon the subject, declared that "the limit of the Province of Ontario then formed the international boundary upon the south, westward to the Rocky Mountains; the Rocky Mountains from the international boundary northward to the northwestern sources of the Saskatchewan; the northern watershed of the Saskatchewan eastward until it intersects the boundary line midway between Lake Winnipeg and Port Nelson at the mouth of the Nelson River; and upon the north-east the line already indicated thereon, midway between the post held by England and France just before Canada was ceded to Great Britain;" and Mr. Thomas Hodgins, who acted as one of the council for Ontario before the arbitrators, claims that the province covered the whole of the north and northwest territories from the confines of Hudson's Bay to the Rocky Mountains, ignoring the claims of the Hudson's Bay Company in

great part. Even by the act of the Legislature of Ontario sanctioning the award it is admitted that Ontario did not get what she was entitled to, one of the clauses in the preamble to that act being to this effect:—"And *whereas the effect of the award is to give to this province less territory than had been claimed on behalf of the province.*" The arbitrators, therefore, certainly did not give to Ontario what those who were specially on her behalf entrusted with the investigation of the subject claimed she was entitled to. The arbitrators themselves do not pretend that they found the true boundary. Sir Francis Hincks has written a good deal upon this subject, and his statements are emphatic upon this point. He says: "What the arbitrators made up their minds to was as to 'the south-western and north-eastern boundaries';" and then he goes on to say:—"They further made up their minds that there were no data whatever for declaring any particular place 'in the Northwest as the north-westerly boundary.'" Again he says:—"There is 'no established north-western boundary, and no one has ever pretended that there is.'" He points out that they found a boundary round two sides of the area of the province. On the other two sides, the west and the north, they found none, and no data whatever therefor. Hence they made one to suit their own views of what they thought fair—a proceeding certainly beyond their province. Mr. Dawson, in a recent letter addressed to the *Globe*, thus quotes the language of Sir Francis Hincks as showing that no boundary existed, and that they did not pretend to have found a true boundary:—

"(1) That the boundaries 'of Upper Canada were so vague on the north and north-west that it is simply impossible to find any line positively laid down by authority.' (2) 'I have always admitted that, while the arbitrators determined all the points in dispute and found true and legal boundaries, on the west and north-east, they had no data to guide them as to the mode of connecting the points established'—that is, that for two sides of the Province they had no data whatever. (3.) 'My object was simply to

prove that no precise boundaries were laid down, and that the arbitrators were compelled to determine then between certain established points in the manner most advantageous to the contending parties;' that is, to make a boundary which they thought a good one for two sides of the province. (4.) 'The arbitrators determined, as they thought they had a right to do, the boundaries on the north and northwest. I have sufficiently explained the impossibility of finding true boundaries where there are no data whatever.' And so out of his own mouth he is condemned—they 'determined' boundaries for one-half or two sides of a square of the province for which they had 'no data whatever.'"

From these facts it appears:—

(1.) In 1871 Sir John Macdonald proposed to have the question settled and suggested the appointment of commissioners with that object. This was at first agreed to by the Ontario Government; but immediately afterwards, when the basis of the arrangement was submitted by Sir John, that Government curtly declined to acquiesce and withdrew its commissioner.

(2.) Sir John Macdonald, in the year 1872, proposed to have the question settled at once by an appeal to the Privy Council. This, Mr. Blake's Government in Ontario refused, upon the ground that the evidence was to be found chiefly on this side of the Atlantic, although they subsequently asked for a documentary evidence from England of so serious a character as to its bulk and extent, that the Imperial authorities were compelled to refuse it.

(3.) In 1874, Mr. Mackenzie, after being a year in office agreed to an arbitration, and suggested that the Dominion Parliament and the Provincial Legislature should pass acts to render valid the appointment of arbitrators and any award they might make. He, however, neglected to pass the Act, and Mr. Mowat, while concurring with him as to the importance of such an Act, passed one to be brought into effect by proclamation of the Governor-in-Council, which proclamation was never issued! The absence, therefore, of authority for the arbitrators was due to

the neglect of Mr. Mackenzie at Ottawa, and Mr. Mowat in Toronto. The arbitrators who finally adjudicated on the subject were not appointed until 1878, nearly five years after the Liberals were in office at Ottawa. Their award was made on the 3rd August, 1878, but it was an award beyond their province, inasmuch as it did not fix the true boundaries; but assuming that no true boundary existed, fixed a conventional boundary.

(4.) Mr. Mackenzie and Mr. Mowat both neglected to take the necessary proceedings, the one by not passing an act of Parliament, and the other by not issuing a proclamation bringing the act of the Legislature into effect, with the express object that they might be in a position to repudiate the award if it did not suit them. They were not therefore in a position to complain that the award is not sanctioned. When Parliament met in 1880 a committee was appointed to consider the whole question, which committee reported adversely to the award.

(5.) Under these circumstances the Parliament of Canada reverted to the original proposition of Sir John Macdonald for a reference of the case to the Privy Council, the policy of the Government being defined in a resolution moved by Mr. Plumb to the following effect:—

"That in the opinion of this House it is expedient that the western and northern boundaries of the province of Ontario should be finally settled by a reference to, and an authoritative decision, by either the Supreme Court of Canada, or the Judicial Committee of the Privy Council in Great Britain, or by the Supreme Court in the first place, subject to a final submission to the Judicial Committee as the province of Ontario may choose, that such decision should be obtained, either on appeal in a friendly action brought for the purpose, or by reference to the said Courts, or either, or both of them by Her Majesty under the powers conferred upon her by the Imperial and Canadian Parliaments, as the Government of Ontario may prefer, and that the said reference should be based on the evidence collected and printed with any additional documentary evidence—if such there is—and that pending the reference, the administration of the lands shall be entrusted to a Joint Commission appointed by the Governments of Canada and Ontario."

(6.) If this policy had been adopted when Sir John Macdonald suggested it in 1872, the boundaries would have been authoritatively settled long ago; and that Mr. Mowat has no objection except a party objection to a reference to the Privy Council, is proved by the fact that he took a vote of \$10,000 in the Legislature to pay the expenses of the reference to England.

This is the position of the boundary question, and from it, it will be seen that if the matter has not been settled long ago it is due to the Liberals and not to the Conservatives, and that there is on the part of the latter not only no intention of taking from Ontario one foot of the territory properly belonging to her, but on the contrary there is a determination to obtain from a competent authority a decision on the question as to the true boundaries, so that Ontario may have every foot of ground that rightfully belongs to her. During the debate which occurred in Parliament Mr. Laurier strongly supported the award, and opposed the suggestion of a reference to the Privy Council. It is worth while quoting his language to show the grounds upon which he based his action:

"NOW LET US SUPPOSE THAT THE QUESTION IS OPENED ANEW. THE AWARD MAY BE SET ASIDE, AND IT MAY BE THAT ONTARIO WILL BE INCREASED TO THE EXTENT CLAIMED AS A RIGHT BY THE DOMINION GOVERNMENT; OR IT MAY BE THAT THE TERRITORY OF ONTARIO WILL BE INCREASED TO THE EXTENT CLAIMED BY ONTARIO AND GRANTED BY SIR GEORGE CARTIER, VIZ, TO RED RIVER, AND THEN YOU WILL HAVE THE PROVINCE OF ONTARIO MADE GREATER THAN IT IS BY THE AWARD."

When so able a lawyer as Mr. Laurier is compelled thus to admit that the award is liable to be changed if referred to a competent judicial tribunal, its worthlessness may fairly be assumed; and when he points out that there is great danger that Ontario will get a much larger share of territory by that judicial decision, the absurdity of raising an Ontario cry against the Government for not sanctioning the present award, is sufficiently apparent.

IMPORTS AND EXPORTS.

For three years after Confederation the equilibrium between the exports and imports of the Dominion was moderately well preserved, but the large expenditure by the Government, in the prosecution of public works, and the general prosperity of all branches of industry stimulated importations to such an extent that in 1874 they exceeded in value the exports by thirty-nine million dollars, and in 1875 by forty-five million dollars. The revolution which followed was largely caused by the expanded and inflated credit which this excessive importation produced, and so sudden was the contraction that in 1876 the value of imports into Canada decreased thirty million dollars. In 1879 the trade of the Dominion was less than in any year since 1870, aggregating only \$151,832,863, while in 1873 it had reached \$217,801,203, but in 1880 an upward course was entered upon and in that year our trade expanded to \$174,401,205. The year 1880-1 brought about a remarkable recuperation of the foreign commerce of the Dominion, the aggregate trade reaching the large amount of \$203,621,663, or within about fourteen millions of the largest total previously recorded. The wonderful vitality infused into the commerce of the country since 1878-9 needs no more forcible illustration than is given in these figures. In the brief period of two years the value of our foreign commerce has expanded \$50,000,000. Of the total increase last year as compared with 1878, \$10,379,365 was in exports, and \$18,841,093 in imports, while the quantity taken for consumption increased \$19,829,255.

The total value of imports, exports and goods entered for consumption in the past three years was as follows:—

	Exports.	Imports.	For consumption.
1879.....	\$71,491,255	\$81,964,427	\$90,341,608
1880.....	87,911,453	86,439,717	71,732,349
1881.....	98,230,823	105,330,810	91,611,604
Total....	\$257,693,536	\$273,735,014	\$243,785,561

Since 1878, therefore, notwithstanding the great increase in our trade, the balance of trade has not been against the country, for while the gross imports exceeded in value the exports by \$16,091,478,

the exports have exceeded the value of the goods taken for consumption by \$13,975,975.

TRADE WITH GREAT BRITAIN.

But not only has the trade of the country increased rapidly under the operation of the National Policy, but the increase has been wholly in the direction aimed at by that policy. Take for instance, the trade of Canada with the United States and Great Britain. From 1875 to 1879 our exchanges with the mother country continuously and rapidly decreased, while those with the United States, in spite of the heavy fall in prices, were comparatively little reduced in value. Thus, while in 1875 we traded to the amount of \$100,379,969 with Great Britain, in 1879 we dealt in only \$67,288,848 worth of goods with that country, although in the same period our trade from the United States was subjected to a shrinkage of less than ten million dollars, or from \$80,717,803 to \$70,904,720. It will be remembered that when the National Policy was introduced it was assailed as an anti-British one, designed to injure and reduce our dealings with the Mother Country, and even to this day the Liberals are vainly endeavoring to substantiate this accusation. Yet the returns prove beyond question that the direct and immediate effect of the change in the fiscal policy has been to promote the interchange of trade with Great Britain to the prejudice of our neighbors to the south. Here are the figures of the import and export trade which elucidate this point:—

	Great Britain.	United States.
1875.....	\$100,379,969	\$80,717,803
1879.....	67,288,848	70,904,720
1880.....	80,307,285	62,606,857
1881.....	97,885,878	73,570,327

No one can examine such a statement as that without being convinced that the National Policy, if it has done nothing else, has, at least, promoted closer trade relations between Canada and Great Britain. Here is another table which illustrates in detail our business with the United States and Great Britain:—

	Great Britain		United States	
	Imports	Exports	Imports	Exports
1877.....	\$9,572,239	\$1,567,469	\$1,212,609	\$2,775,255
1879.....	30,063,130	86,235,713	43,739,219	27,163,501
1881.....	43,583,808	53,751,570	36,704,112	36,863,223

Contrasting 1887 with 1881, therefore, we imported more goods from Great Britain last year by \$4,000,000, while we bought \$14,600,000 less from the United States. The advantages of an import trade with Great Britain and foreign countries, as compared with the United States, are many. The warehouse from which the distribution of the goods is made is placed in Montreal and Toronto, instead of New York and Boston; rates of ocean freight are reduced by the double carriage and the interchange of commodities rendered more easy and profitable; a demand arises for labor to receive, warehouse and distribute goods; manufacturers enjoy the protection of the increased cost of carriage from Great Britain and foreign countries, as compared with the neighboring republic, and the opportunity to slaughter goods is not so ample, while the task is more difficult.

OUR FOREIGN TRADE.

Equally satisfactory has been the trade movement between Canada and the West Indies, China and South America, under the National Policy, as the following figures show:—

	IMPORTS.		
	1878.	1880.	1881.
British West Indies.....	\$ 578,405	\$1,208,822	\$1,888,695
Spanish West Indies.....	417,178	1,711,462	1,899,813
China and Japan.....	893,675	893,911	1,410,933
South America.....	15,447	283,481	637,620
Total.....	\$1,894,706	\$4,697,676	\$5,837,101
	EXPORTS.		
	1878.	1880.	1881.
British West Indies.....	\$1,950,144	\$1,906,053	\$1,787,813
Spanish West Indies.....	1,089,807	1,319,588	1,167,612
China and Japan.....	102,588	87,516	19,761
South America.....	654,357	789,940	732,111
Total.....	\$3,796,876	\$4,063,127	\$3,707,297

Our aggregate trade with these countries in the three years was, therefore, as follows:—1878, \$5,191,582; 1880, \$8,150,803; 1881, \$9,544,398, showing a marvellous growth under the influence of the National Policy, which was destined to directly enlarge our trade with these sugar and tea-producing countries. The trade of last year with the West Indies, China, Japan and South America is the largest ever recorded.

EXPORTS.

The growth of the export trade of Canada under the National Policy has been truly marvellous, as the following statement of the value of exports in 1878 and 1881 will show:—

	1878.	1881.
Produce of mine.....	\$ 2,869,383	\$ 2,918,254
fisheries...	6,929,386	6,895,584
forest.....	20,054,829	25,709,848
Animals and produce.....	14,577,086	22,665,610
Agricultural products.....	27,281,089	31,294,127
Manufactures.....	4,715,776	4,043,123
Miscellaneous.....	477,508	768,650
Total.....	\$76,905,012	\$94,296,496
Coin and bullion.....	161,939	971,005
Amount short returned.....	2,249,666	3,023,322
Grand total.....	\$79,323,667	\$99,290,823

THE RE-DISTRIBUTION BILL

The interest which is felt in the Re-distribution of Seats Bill is centered mainly in the Province of Ontario, where the Liberal party is endeavoring to make it a leading issue in the campaign. The common sense of the people of that province teaches that the outcry of the Opposition is made simply because they conceive themselves to be politically hurt by the re-distribution. That measure, however, deprives not a single elector of his franchise; he will be as potent to determine the party character of the next Government on June 20th as he ever was. All that has been done is to equalize the population to the representation, and how necessary such a measure had become may be judged by the fact that the counties represented by Conservatives in the late Parliament had a population of 1,192,783, while the population of the constituencies represented by Liberals was only 461,278, and in the total vote cast in Ontario the Conservatives obtained a majority of 11,000 votes.

The history of the measure, a statement of the causes which required its introduction, of the principle upon which it is founded, and of the action taken by the Liberals in similar circumstances in the past, will suffice to show how unwarranted is the language in which the bill has been denounced by those who conceive themselves to have been politically injured by it. The measure is not, as has

been charged, an arbitrary one, passed upon the eve of a general election, to strengthen the Government in the Province, and prevent the free expression of the will of the electors exercising its legitimate and proper influence. The redistribution of seats in the Province of Ontario was made incumbent upon the Government by the supreme law of the land, and not forced upon Parliament by a Ministry seeking to promote its political existence. By the census of 1881 Ontario became entitled to four additional representatives, and in the redivision of constituencies thus necessitated it was determined to apply the principle of representation by population to the Province. That principle was a cardinal one of the old Liberal party of Upper Canada; it has been adopted by the men who usurped the name of that party, and they have never tired of parading their desire to have it applied to the representation. The opportunity having arisen, the Government determined to adopt the principle in the only Province in which a redistribution was called for, and they have so applied it as to remove the curious discrepancies in the representation which previously existed. In the present House of Commons a county having a population of more than 42,000, Lambton, has the same representation as one comprising a population of less than 3,600, Niagara, and inequalities more or less glaring exist in very many cases. Under the new bill these discrepancies have all been swept away, and the average of the population to the representation in Parliament has been as nearly observed as geographical lines would permit. How strictly the principle of representation by population has been adhered to, and how much more just and fair will be the basis of representation hereafter, will be seen by the following statement of the population of various constituencies at present and as changed:—

	Present population.	Future population.
Carleton.....	24,693	20,287
North Lanark.....	13,943	13,345
North Victoria.....	13,799	16,540
South Ontario.....	60,809	20,244
North Ontario.....		20,823
West Ontario (new).....	11,894	19,730
North Brant.....		17,635
North Perth.....	34,207	28,276

	Present population.	Future population.
East Bruce.....	64,774	22,335
North Bruce.....		17,655
West Bruce (new).....	14,214	25,618
West Elgin.....		23,480
South Huron.....	27,103	23,042
Centre Huron.....	26,474	22,321
Bothwell.....	27,102	22,268
Kent.....	36,626	28,112
North Norfolk.....	17,219	20,869
South Norfolk.....	16,374	19,019
North Essex.....	46,762	25,658
South Essex (new).....		22,385
Brockville.....	12,514	15,007
Muskoka.....	27,204	17,640
South Simcoe.....	26,891	22,721
North Simcoe.....	49,233	26,120
East Simcoe (new).....	14,993	27,185
South Wentworth.....		16,229
West Lambton (new).....	42,616	24,356
East.....		18,260

The constituency of Niagara, which, with a population of only 3,500, had a representative in the late parliament, is incorporated with Lincoln, the joint counties having a population of 20,901, and the constituency of Cornwall, with a population of 9,000, is joined to Stormont, the population of the two being 23,200. A glance at the table above will show how closely the principle of representation by population has been followed. The average population to the representation is about 21,000, but it is obviously impossible to exactly adjust the representation to that *quota*. The geographical position of the counties rendered it impossible to do so, and it was out of the question to undertake to split up municipalities, townships and villages so as to bring about a more exact proportion.

To the principle upon which the redistribution is based no objection is or can be made. The whole record of the Liberal party is a testimony to the justice of it. But is it a singular thing that when the law compelled a redistribution of seats, the Government has had some regard to political consideration? If it is a crime that political advantage accrues to the Conservative party as an incidence and not as a cause of the alteration, how much greater was the offence of the Liberal party in Ontario when, solely for party advantage, the Mowat Government arbitrarily changed the boundaries of constituencies in that province as respected representation in the local Legislature, and the Mackenzie Government, with the same design, en-

deavored to gerrymander the constituencies of North Wellington and South Huron, because it was feared that otherwise they would elect Conservative representatives! The effect of the Redistribution will be to secure in a large measure equality of representation in the province, and to enable the various members to represent more clearly and fully the views of all sections of the province than is now done with the existing inequalities of population.

GERRYMANDERING BY THE LIBERALS.

To prove the hypocrisy of the Opposition attacks upon the Government because of the manner in which the redistribution has been made it is necessary only to examine the manner in which the Liberal party carved and cut the constituencies when they were in office, to promote their own political fortunes. It was in 1874, during the last session of the second Legislature of Ontario that Mr. Mowat introduced his measure to readjust the representation of the Province and increase the number of representatives from 82 to 88. He was not required by any statutory enactment to enlarge the number of members, but as the Dominion representation had been increased by six, after the census of 1871, as he was on the eve of a general election, and as the issue of that election was in doubt, he conceived the scheme of increasing the representation so as to open the door for a gerrymandering of the constituencies in the interest of his Government. The first distinction between the Ontario bill of 1874 and that passed at the late session of Parliament to be noted is that in the former case it was an arbitrary, uncalled for measure, while in the other case the Dominion Government was compelled by the Confederation Act to readjust the representation so as to give Ontario four additional members. Having determined upon increasing the representation, one would suppose that Mr. Mowat would apply the principle of representation by population, a principle for which his party had contended for years, and had declared in 1872 in the most formal manner in the Dominion Parliament that it

ought strictly to be observed in any readjustment of the representation. That principle was shamelessly disregarded by Mr. Mowat, as a few illustrations will suffice to show. The riding of Brockville contained a population of 10,475; that of Cornwall a population of 7,114. The former was represented by a Conservative, Mr. Fitz Simons; the latter by a Grit, Mr. Snettinger. And therefore, not to gerrymander a political opponent out of his constituency, oh! no, your high-minded Grit would shrink from such an act, but in order to equalize the basis of representation the population of Brockville was increased to 13,000 by the addition of Front of Yonge, Rear of Yonge and Escott taken from South Leeds, while Cornwall was permitted to remain with its population of 7,000. The secret of this peculiar method of applying the principle of representation by population was that the three divisions taken from Leeds had in the previous election given a Grit majority of 228 votes, the object being to swamp the Conservatives in Brockville by this tricky manoeuvre. But Cornwall having elected a good supporter of Mr. Mowat was undisturbed, and we have the testimony of the *Globe* itself that political motive alone prompted the Mowat Government in this matter. Here is the language of the *Globe* of December 15th, 1874:—

"Cornwall alone is left untouched, in obedience certainly not to any political exigencies, but to the very strongly expressed desire of the surrounding constituencies to remain for the present without alteration—a desire it was the more easy to gratify because there was no reason to suppose a change would be made in the political character of the representation of the district by any reasonable scheme of adjustment that could be devised."

And these are the men who profess their virtuous indignation at the alleged readjustment of the Ontario constituencies in the interest of the Conservative party; the men whose chief organ confessed that in 1874 Mr. Mowat had not equalized the representation of Cornwall, because there was no reason to suppose

a change would be made in the political character of the representation of the district by any scheme of readjustment that that could be devised.

That, however, is but a small part of the iniquity perpetrated by Mr. Mowat. In the debate in the House of Commons upon the Redistribution Bill, during the late Session, Mr. Blake denounced the bill upon no ground more strongly than that its operation might give a minority in the country a majority in the House. Thus ten Conservative counties having an aggregate majority of say 500 would have ten times the power in the House of one Grit constituency of 500 majority, although the popular strength of parties would be exactly equal, and the leader of the Opposition made a strong appeal not to allow this injustice to be done. Mr. Mowat, however, committed this wrong, destroyed the rights of majorities, gave controlling power to a minority, and not a word of protest came from Mr. Blake, the *Globe* or any lesser light in the Liberal party, and here is the proof:—The twelve counties of North Grey, South Grey, North Wellington, Centre Wellington, Cardwell, East Simcoe, West Peterboro, East Peterboro, North Victoria, East Grey, West Simcoe and South Simcoe, returned a majority of Conservatives to the Ontario Legislature in 1871, and taking the total vote polled in all these constituencies there was a Conservative majority of 56, the Grits polling 13,611 votes, and the Conservatives 13,677 votes, so that the parliamentary representation was in accordance with the popular.

MR. MOWAT DELIBERATE ABOUT TO ROB HIS POLITICAL OPPONENTS OF A JUST AND FAIR REPRESENTATION, AND TO THAT END HE CARVED OUT THE NEW RIDING OF DUFFERIN, "HIVED" THE CONSERVATIVES THERE SO AS TO GIVE THEM A MAJORITY OF ABOUT 1,200 IN THE CONSTITUENCY, AND SO GERRYMAN- DERED THE OTHER RIDINGS, THAT UPON THE BASIS OF THE LAST PREVIOUS ELECTION, THE GRITS WOULD BE ABLE TO CARRY NINE OF THE THIRTEEN SEATS BY MAJORITIES RANGING FROM 15 TO 350, WHILE

THE CONSERVATIVES, ALTHOUGH HAVING A MAJORITY OF 66 OF THE GROSS VOTE, WOULD OBTAIN ONLY FOUR SEATS. That was destroying the rights of the people, forcibly gagging the free expression of their opinions, with a vengeance; but because the Christian politician, Mr. Mowat, committed the outrage in the interest of his party, the virtuous and high-minded Mr. Blake had not a word of protest to utter.

One other illustration of the insincerity of the present utterances of the Liberals, of their abnegation of principle, of their readiness to adopt the most unfair, unjust measures when the power is given them, will suffice. Representation by population has been dear to the Liberal heart—in Opposition. This is the way in which it was applied by Mr. Mowat—in office:—

Constituency	Population.	Representatives.
Muskoka.....	5,000	1
Cornwall.....	7,000	1
Algoma.....	8,000	1
Brockville.....	13,000	1
Niagara.....	9,234	1
Elgin West.....	12,000	1
Stormont.....	11,000	1
Total.....	60,234	7 members

That would be a member for every 8,500—in places considered "safe for Mowat." Now, let us look on the other side:—

Constituencies.	Population.	Representation.
Ottawa.....	25,000	1
Russell.....	20,000	1
Carleton.....	21,000	1
Total.....	66,000	3 members

That is, an average of 22,000 in three counties of Conservative proclivities. In other words, 60,000 people in Grit constituencies were given two and a third times as much power in the Legislature as 66,000 people in the Conservative constituencies. That is the Liberal notion of representation by population. We confess that if the bill passed at the late session of Parliament was a title as iniquitous as that forced through the Ontario Legislature by the Mowat Government in 1874 upon the eve of an election which threatened to be disastrous to them, there would be some reason in the outcry raised by Mr. Blake

and his followers. But it is not difficult to justify the present measure on its own merits, and it is necessary only to examine the Liberal scheme of 1874 to discover the rank hypocrisy of the assumption of virtuous indignation, respect for the rights of the people, and regard to the influence of majorities, now made by the Liberal party.

THE FARMERS UNDER THE NATIONAL POLICY.

No class of people in the country have profited more by the operation of the National Policy than the farmers. Not only has the home market been enlarged for all the products of the farm, foreign competition reduced, prices improved and new markets obtained for the produce the agriculturist has to sell, but the goods which he buys have either not been appreciably increased in price or have been materially reduced. So that on both hands the farmer finds his condition improved by the present fiscal policy. We do not attach much importance to the question whether the goods which the farmer consumes have been somewhat increased in price or otherwise. The only articles he requires to purchase which are affected by the change in the tariff are clothing and agricultural machinery. As to the former, the evidence indisputably proves that Canadian tweeds and woollens of all kinds, and cottons are lower in price to-day than they were in the years preceding 1879, while agricultural implements, which, after all, are only purchased at intervals of several years, if at all enhanced in price, are inappreciably higher, and certainly the advance in all kinds of farm produce will far transcend whatever increase may have occurred, assuming such to have been the case, in the cost of farm implements. But, on the other hand, the farmer has been given his tea, coffee and sugar cheaper than they were under the late tariff, and the advantage to him by the reduction in the price of these articles of daily consumption may fairly be placed against any increment in the price of implements he purchases at

long intervals. At the late session of Parliament a committee was appointed composed of both Liberals and Conservatives, and after an exhaustive enquiry into the operation of the tariff upon the agricultural interests they reported that

"The greater bulk of the evidence taken shows that the price of manufactured goods in common use amongst farmers is increased to a barely noticeable extent, and that in many lines they are actually reduced in consequence of home competition and of the improved facilities for manufacturing incident to the wider home market obtained by the manufacturer."

The evidence collected by the Parliamentary Committee disposes effectually of the pretension that the prices of grain have been reduced in comparison with those of the American market under the National Policy. The following is a summary showing the result of quotations of spring wheat taken on the same day twice in each month, at Chicago, New York, Toronto and Montreal, for the past four years:—

	1877.	1878.	1880.	1881.
Chicago	\$1.27	97c	\$1.09	\$1.15
New York.....	1.44	1.15	1.19	1.20
Toronto.....	1.34	1.01	1.15	1.23
Montreal.....	1.37	1.29	1.29	1.32

Instituting a comparison of prices of spring wheat at Toronto with those at Chicago, upon the average of the whole year, it is found, therefore, that while in 1877 Chicago was 6½c less than Toronto, and in 1878, 4c less, in 1880 the Toronto price was 8½c higher than that of Chicago, and in 1881, 8½c higher. Contrasting Toronto with New York, we find that the former was 14½c and 14½c in 1877 and 1878 respectively less in price per bushel for spring wheat than New York, while in 1880 and 1881 Toronto was only 1½c and 3½c respectively less than New York. Here is another table which evidences the advance in the value of Canadian wheat, relative to the American market, under the present tariff. It shows the number of times that the price of spring wheat was higher in Chicago and *vice versa* during the past four years:—

	Chicago No. of times. Higher.	Average amount.	Toronto No. of times. Higher.	Average amount.
1877....	8	2½c	17	9½c
1878....	14	4c	9	4 1-6c
1880....	1	1½c	23	13½c
1881....	8	3½c	21	10 1-5c

Taking the average yearly prices of spring wheat for the years 1877-1878 and 1880-1881 combined, they are found to be as follows:—

Chicago.		Toronto.	
1877-8	1880-1.	1877-8	1880-1.
\$1.12½	\$1.12½	\$1.17½	\$1.27½

This statement, which is compiled from the Board of Trade returns, proves that while in 1877 and 1878 the average price of spring wheat in Toronto was only 5 cents per bushel above the Chicago price, in 1880 and 1881 the Toronto price was 15½ cents per bushel above that of Chicago. In other words, the Canadian farmer has been benefitted by the National Policy to the extent of 12 cents upon every bushel of wheat that he grows.

Another important advantage conferred upon our farmers is the enlargement of the home market.

The following is a comparative statement of the imports of agricultural products into Canada in the free trade and protective periods, compiled from the trade and navigation returns:—

IMPORTED NOT FOR CONSUMPTION.

	1877-1878	1880-1881
Agricultural products.....	\$0,736,971	\$1,072,245
Green fruits.....	12,080	16,786
Animals.....	213,331	65,016
Animals for improvement.....		
Produce of animals.....	2,662,630	3,027,283
	\$13,625,012	\$21,181,280

ENTERED FOR CONSUMPTION.

	1877-1878.	1880-1881.
Agricultural products.....	\$16,591,594	\$4,247,187
Green fruits.....	611,119	563,295
Animals.....	771,792	560,935
Animals for improvement.....	354,818	807,804
Produce of animals.....	2,767,305	2,538,776
	\$21,096,628	\$8,268,497

These figures, taken from the official returns, show that the imports of agricultural products from the United States in the two full years in which the National Policy has been in operation have decreased by the large amount of \$12,830,900, or, in other words, that the home market has been enlarged to that extent, while, on the other hand, the carrying trade of Canada has augmented in the period under comparison to the value of \$10,500,000 in agricultural products from the United States alone. Then there has

been a very large increased demand in the Canadian market of consumption for farm products of all kinds, through the operation of the present tariff, the Committee reporting that:—

"The home demand and prices obtained for meat stuffs, butter, poultry and eggs, as well as fruit and other vegetables, has been demonstrated by the evidence to be largely increased, as a result of the tariff stimulating in manufacturing industries, and improving the condition of the mechanic and laboring man, as well as by the exclusion of American competition in many of these articles."

The development of agriculture under the National Policy has been truly wonderful. Here is a statement of the value of the exports from the Dominion of agricultural products, and animals and their products, under a free trade and under a revenue tariff:—

EXPORTS IN THE FREE TRADE YEARS.

1874.....	\$34,269,312
1875.....	29,958,865
1876.....	34,657,319
1877.....	28,909,993
1878.....	32,028,611
1879.....	33,729,068

EXPORTS UNDER THE NATIONAL POLICY.

1880.....	\$39,901,905
1881.....	42,628,545

The farmers of Canada were therefore able to supply the enlarged home market, and exported \$8,000,000 more of their products last year than in any year under the free trade tariff. More than that, the value of imports of agricultural products and animals and their produce from the United States, for consumption in Canada, was \$12,829,131 less in 1880 and 1881 than in 1877 and 1878, and to this amount the home demand for farm produce was increased. The account thus stands as follows:—

Farm produce exported 1877 and 1878. \$90,938,604
Farm produce exported 1880 and 1881. 83,530,450

Gain to the farmers..... \$22,501,846
Additional decrease in imports from United States..... 12,829,131

Total gain..... \$5,420,977

But it is said by the opponents of protection that the National Policy has impoverished the farmer by increasing the price of everything he requires to purchase. In contradiction of that statement, it is sufficient to cite these facts:—

That the deposits in the Government Savings Banks have increased more than \$6,000,000 since 1878; that the deposits in the joint stock banks have increased in the same period more than \$20,000,000, almost every dollar of which has been banked by the farming classes; that the amount loaned on mortgages has decreased enormously in the past three years, and that the rate of interest on mortgages has declined from 2 to 4 per cent. in consequence of the lessened demand for money from the agricultural population. It is said again by the Liberals that "every item of his personal, family and business expenditure has increased, while his income is actually less than his average income during the existence of the revenue tariff." Now, the personal, family and business expenditure of the farmer is made for clothing, fuel, food and agricultural implements. We assert that his clothing has not been increased by one cent under the National Policy beyond the increase that would have occurred under the late tariff. Cotton goods are to-day no dearer than they were in 1878, taking into account the increase in the price of the raw material, which now, as then, is free of duty; woollen goods of Canadian manufacture, and the farmers consume no other, are either as cheap, and in some lines cheaper than they were in 1878, while the quality of the goods has materially improved; boots and shoes, hats, &c., have certainly not advanced in price, as anyone may learn from the columns of the *Globe*, which has repeatedly asserted that the National Policy has not assisted the manufacturers of these goods, because they monopolized the home market under the 17½ per cent. duty. Then as to his fuel. The fuel of the farmer is wood, he burns not a ton of coal in the year, and if wood has been increased in price, it has been because of the growing scarcity of that article, a movement which no tariff can influence or check. But if the price of wood has increased since 1878, is that a disadvantage to the farmer? It is well known that in the winter months the majority of the farmers are occupied in cutting wood for the markets afforded by neighboring

towns and villages, and it is a direct and most important advantage to them if the value of the product of their labors in the forest has been enhanced by an increase in the price of it. Nor has his food been increased in price, except in a manner most beneficial to himself. His grain, dairy produce and vegetables now command a higher price, and therefore it may be argued that such portion of these as he consumes in his own family are increased in cost to him. Will it be pretended by the Liberals that it is a misfortune to the farmer to have the value of his produce increased in the selling market, because he, himself, consumes one-hundredth part of those products? What cares the farmer if the one-hundredth portion which he consumes is increased in value, provided that the ninety-nine-hundredth part which he has to sell is also increased in price? If there is one class which has prospered more than another since 1878, it is the farming community. They know it well, of their own experience, and no amount of violent language, rash assertion, and absurd pretensions will cause them to believe that the National Policy has not contributed to that prosperity which they have so bountifully enjoyed.

THE WORKINGMAN UNDER THE NATIONAL POLICY.

That the condition of the workingmen of Canada has materially improved under the National Policy is a self-evident proposition. Apart from any increase in the rate of wages, and in nearly every branch of industry an increase has been granted, the earnings of the mechanic, operative and laborer have been substantially enlarged by the steadier employment offered, and the certainty of employment at all times. The evidence which has been collected in relation to this subject is very positive in its conclusions. Take for instance the condition of the workingmen of Montreal. In the principal factories of that city there were employed in September, 1878, 6,920 persons, and in September, 1881, in the same factories

13,048 persons were employed. The weekly wages paid to these workmen and women were in 1878 \$40,544, and in 1881, \$90,221, and the annual wages \$2,108,311 in 1878, and \$4,692,518 in 1881. There was, therefore, paid out in the factories of Montreal last year \$2,584,207 more in wages than was paid in 1878 under the Cartwright tariff. What is equally important and conclusive as to the benefits conferred by the present tariff upon the workmen, the average annual earnings in these factories, including the wages paid to women and girls in the tobacco and cotton factories were \$359.63 in 1881, against \$304.67 in 1878, or an average increase per head in the earning of the working population of \$55.

The growth of the industries of Hamilton, Ont., as reported by the Dominion Immigration Agent in that city, who by the way was appointed by the Mackenzie Government, has been most marked since 1878, as will be seen by the following digest of the report:—

	1878.	1881.	Increase.
Value of Factory Bldgs..	\$ 705,300	\$ 1,074,100	\$ 368,800
Do plant..	538,100	1,174,750	636,650
Do Goods Manufact'd	3,857,000	7,478,700	3,621,700
No of hands.	3,708	9,054	117 per c
Average wages.....	\$1.07½	1.17½	9½ per c.

The number of workshops and factories in Hamilton in 1881 was 78; in 1878 it was 57, an increase of 37 per cent. In 1878 33 workshops were running full time, and 24 short time. In 1881, workshops running short time, 1; full time, 56; overtime, 21; making 78 in all.

The Factory Commission reported at the late session of Parliament some interesting facts in relation to the 96 new factories established since the introduction of the National Policy, and visited by the commissioners. These new factories, whose existence is due wholly to the protective tariff, employ 7,242 hands. The Commissioners reported that the percentage of increase in the number of hands employed in factories which were in existence prior to September, 1878, is as follows:—In foundries the increase has been 14 per cent.; in furniture factories, 20 per cent.; in boot

and shoe, increase, 11 per cent.; in glass and pottery works, increase, 25 per cent.; in organ and piano, increase, 28 per cent.; in wool and knitting factories, increase, 19 per cent.; tobacco and cigars, increase 7 per cent.; clothing factories, increase, 14 per cent.; cotton factories, increase, 30 per cent.; rope, flax and brush factories, increase, 11 per cent.; manufactures of paper, increase, 10 per cent.; miscellaneous manufactures of wood, increase, 10 per cent.; miscellaneous manufactures of iron, increase, 16 per cent.; general miscellaneous manufactures, 23 per cent.

A comparison of the prices of manufactured goods between January, 1879, and the date of the visit in 1881, shows the following results:—

Number of factories which have no change in price of goods.....	323
Factories which have increased by 25 p.c..	2
Factories " " " 20 p.c..	4
Factories " " " 15 p.c..	1
Factories " " " 12 p.c..	1
Factories " " " 10 p.c..	14
Factories " " " 7 p.c..	1
Factories " " " 5 p.c..	18
Factories " " decreased by 25 p.c..	8
Factories " " " 20 p.c..	3
Factories " " " 15 p.c..	5
Factories " " " 10 p.c..	11
Factories " " " 5 p.c..	25

Number of factories from which we got no information..... 13

The increase in most of the factories was stated to be on account of an advance in the price of their raw material.

A comparison of the state of wages between January, 1879, and the date of the visit in 1881 shows:—

Number of factories where wages have remained the same.....	85
Factories started since January, 1879, and made no change.....	50
Factories showing increase of 35 per cent..	3
Factories " " " 30 per cent..	2
Factories " " " 25 per cent..	9
Factories " " " 20 per cent..	21
Factories " " " 17½ per cent..	42
Factories " " " 15 per cent..	68
Factories " " " 12½ per cent..	5
Factories " " " 10 per cent..	93
Factories " " " 8 per cent..	4
Factories " " " 5 per cent..	31
State of wages not ascertained.....	4
Factories showing decrease: none	

The Commissioners, although they did not ascertain the numbers, found that in some 30 factories visited by them and which were in existence previous to the change of tariff, the average increase in

the number of hands employed was 17 per cent., or about one-sixth. The largest increase has been in the cotton factories, which now employ nearly one-third more hands than in 1878, while in glass and pattern factories the increase has been 25 per cent., in organ and piano works 28 per cent., and in furniture factories 20 per cent. In not a single establishment of the four hundred and twenty-seven visited was the number of employes found to have decreased since 1878. That is certainly a favorable result of the operation of the tariff as respects its ability to afford employment for our people at home. To have given a better labor market, to have augmented the earnings of the workmen by increasing the working time of the week, was much to accomplish, but the National Policy has done more for the laborer and mechanic. It has increased his wages. In 35 factories the wages paid to-day are 25 per cent. higher than paid in January, 1879, before the change of tariff. In 71 factories the increase has been 15 per cent., in 93 factories 10 per cent., in 35 factories 5 per cent. Not a single factory is paying less wages to-day than it did in the early part of 1879. Such a result as that does more to confirm the advantage of a protective policy than all the theoretical platitudes in the world. Look at it. The workingman's hours of labor increased all round; no more half and quarter time, with one-half and one-quarter pay, and his wages increased in no fewer than 231 different factories. But, say the opponents of the present fiscal policy, while the tariff may have advanced the wages and increased the income of the mechanic, it has so augmented the prices of the goods he consumes as to render him no better off at the end of the year. It has simply, they affirm, put a little more money into one pocket and taken a little more out of the other. Such a contention as that cannot be supported. There are two cases, and two only, in which prices have been advanced since 1879, first, where an advance in the price of the raw material has occurred in the markets of the world, and secondly—this in rare instances—where the tariff upon articles which can-

not be produced in the country, such as wines, has, for revenue purposes, been increased. What did the Commissioners find? That 322 of the four hundred odd factories visited have made no change in the price of their manufactured goods since the introduction of the National Policy; that 47 factories have actually decreased their prices, and that in only 45 has an increase in the selling price of goods been made, this increase averaging less than 10 per cent., and in most of these factories the increase was stated to have been in consequence of an advance in the price of the raw material. The manufacturer is able to pay better wages to his employes without advancing the cost of his goods to the consumer, simply because he has a larger market, and can therefore not only produce relatively more cheaply, but can afford to accept a lower profit without diminishing his income. In the cotton industry alone the number of hands employed his year is 8,610, against 2,150 in 1878, showing the marvellous increase of 6,460, or more than 300 per cent. And in sugar refining the number of persons now employed is 1,113, while in 1878 not a man in Canada was engaged in that industry. In the light of such facts as these, it is idle to pretend that the National Policy has not accomplished, or is not accomplishing its purpose. Thousands more working men now find a market for their labor, all obtain better wages, and the cost of living has not been increased one dollar, except it be by natural causes, over which no fiscal legislation can exercise any control.

THE SUGAR TRADE.

The effect of the closing of the Redpath refinery in 1876 was seen in the decrease of 17,800,000 lbs. in the importation of sugar below No. 9 D. S., that is to say low grade or raw sugars, between 1875 and 1878, and in the almost total destruction of our trade with sugar producing countries. For instance, in 1873-4 we imported 29,627,534 lbs. of sugar from the British and Spanish West Indies, and 10,133,145 lbs. from Brazil, whereas in 1877-78 we imported only 6,842,933 lbs. from the British and Span-

ish West Indies. On the other hand, the importations from the United States ran up from 17,170,699 lbs. in the calendar year 1875, to 71,641,708 lbs. in the fiscal year 1878-9.

In 1879-80 the importations from the United States fell off to 9,465,021 lbs., while those from the British and Spanish West Indies and Brazil increased to 77,645,988 lbs. The wonderful success of the National Policy in restoring a direct trade in sugar with countries of production is shown at a glance in the following statement of imports:—

	1878-9. lbs.	1879-80. lbs.	1880-1. lbs.
Great Britain.....	53,283,102	14,433,847	15,293,428
United States.....	45,195,335	9,465,021	7,869,962
British W. In- dies.....	4,414,847	21,746,570	25,619,368
Spanish W. In- dies.....	6,736,917	49,949,431	48,026,406
Brazil.....		5,949,987	23,603,875

The decrease in importations from Great Britain and the United States has been in refined sugars, while the enormous increase in the importations from the West Indies and Brazil is of raw sugars, brought into and refined in Canada. Thus, in 1879 the quantity above No. 13 imported was 95,154,570 lbs., while in 1880 the quantity of this grade brought in was 18,753,107 lbs., and in 1881, 14,363,813 lbs. The results accomplished by the readjustment of the duties upon sugar have certainly been most satisfactory. Instead of looking to New York and Boston for the bulk of our supply, refineries have been established within the country which give the Canadian people not only a purer sugar than the American refined, but on the average of the year a cheaper sugar. But if no advantage was gained in respect to either quality or cost, the country would still be greatly benefitted by the establishment of an industry affording employment to thousands of our people, establishing a direct trade with the West Indies and Brazil, and opening a market in these countries for the produce of the Dominion by the interchange of commodities. In connection with the recent establishment of a line of steamers plying between Brazil and Canada, it is gratifying to learn that in 1881 there were imported from Brazil 23,603,576 lbs.

sugar, although only three years ago, under the old tariff, not a single pound was brought in. That the sugar refined in Canada is of a better quality than that which we were compelled to import from the United States until recently, is attested by the reports of the public analysts of the Dominion, they having examined sixty-one samples in 1881, not one of which was found to be adulterated. In the light of the trade returns it is folly to attempt to convince any one that the country has not reaped an enormous advantage from the introduction of a fiscal policy which enabled the sugar consumed in Canada to be refined by our own people.

THE NUMBER OF HANDS NOW EMPLOYED IN SUGAR REFINING IN CANADA IS 1,113, WHILE IN 1878 NOT A SINGLE PERSON WAS ENGAGED IN THE INDUSTRY.

THE TEA TRADE.

The trade returns for 1881 show the accomplishment of the purpose of the Government in re-imposing a discriminating duty upon tea imported from the United States, that purpose having been to encourage direct trade with the countries of production. Of the total importation of tea into Ontario and Quebec in the year ending June 30th, 1874, the year in which the discriminating duty was in force, only 15.85 per cent. came through United States merchants, while the direct importations from China and Japan increased from 30.03 per cent. in 1872 to 50.08 per cent. in 1874. Upon the removal of the 10 per cent. discriminating duty in 1875, the proportion of the direct importation from China and Japan began to decline, until in 1878 it was only 18 per cent. of the whole importation, the proportion of the importation from the United States in the same period running up to 55 per cent. In March, 1879, the discriminating duty was again imposed, and we have as the result that in 1880 only 32 per cent. of the importation into Ontario and Quebec was from the United States, while 45 per cent. came direct from the countries of growth, China and

Japan. The following is a detailed statement of the imports of tea into the Provinces of Ontario and Quebec before and since the introduction of the National Policy:—

	1879. lbs.	1881. lbs.
Great Britain.....	2,355,210	2,766,894
United States.....	5,254,765	4,968,772
China.....	505,437	2,168,784
Japan.....	1,223,968	4,780,695
Other countries.....	12	79,676
Totals	9,339,392	14,764,821

The effect of the imposition of the discriminating duty has therefore been to increase the direct importations from China and Japan about 400 per cent., while the importations from the United States has fallen off, and the result has been to give the Canadian market to the Canadian importer, and protect him from an irregular and unfair competition from American dealers.

BY ABOLISHING THE DUTY ON TEA AND COFFEE, THE GOVERNMENT HAS RELIEVED THE PEOPLE OF CANADA OF AN ANNUAL TAX OF \$900,000.

THE COTTON AND WOOLLEN TRADE.

The following is a statement of the value of cottons imported from Great Britain in the last year of the free-trader's tariff and in the two years in which the National Policy has been in operation:—

	1878. \$	1880. \$	1881. \$
Bleached and unbleached.....	431,807	231,900	337,472
Printed, painted or colored.....	1,982,444		
Jeans, denims and drillings.....	26,929		630,308
Clothing and wearing apparel.....	174,288	893,642	484,986
All other.....	1,752,805	4,296,104	5,746,807
Total	\$4,368,273	\$4,921,736	\$7,199,573

By this statement it will be seen that a very large increase occurred in the value of cottons imported from Great Britain as a consequence of the revival of prosperity in Canada, but the classification which we have made shows that the increase occurred in a class of goods not yet manufactured in this country. In spite of the

enlarged demand for all kinds of goods, and the fact that the whole importation of cottons in 1881 exceeded in value that in 1878 by \$2,831,000, or 66½ per cent., the importation of ordinary grey and white cottons has actually fallen off \$94,000, or about 22 per cent. The explanation of this result is to be found in the fact that the development of the cotton manufacturing industry in the Dominion has proceeded so rapidly under the National Policy as to practically enable our own mills to supply the demand for the cheap classes of cotton goods. As an evidence of this, we find by the trade returns that the importation of raw cotton into Canada since 1878 has increased in value \$897,746, that is to say, from \$808,105 in 1878 to \$1,705,851 in 1881, or more than 100 per cent. These Canadian cottons have supplanted the British article, as will be seen by the above table, to the amount of \$94,000; they have supplanted the American article, as will be seen by the statement which follows, to the extent of \$172,572, and have found an enlarged home market, in addition, to the amount of many hundred thousand dollars. The development of the cotton manufacturing industry still continues in the Dominion; some mills have been completed and put into operation since the close of the last fiscal year, others are now in course of construction, so that in a short time it may reasonably be expected that not only will the importation of the common classes of cotton goods cease altogether, but the necessity of going abroad for the better qualities will considerably diminish.

The following is a statement of the importation of cotton goods from the United States:—

	1878.	1880.	1881.
Bleached or unbleached.....	\$539,773	\$289,841	\$367,191
Printed, painted or colored.....	893,681		
Jeans, denims and drillings.....	137,492	537,926	633,762
Clothing or wearing apparel.....	191,441	210,168	188,152
All other.....	729,071	510,137	632,206
Total.....	\$2,491,448	\$1,578,072	\$1,821,311

This exhibit, taken in connection with the statement of imports from Great Bri-

tain, indicates very clearly how successfully the National Policy has operated in extending our trade with Great Britain. For five years before the introduction of that policy the imports of cotton goods from the United States had been steadily increasing, while those from Great Britain were rapidly dwindling down, until in 1878 the value of imports of manufactured cottons from the United States constituted 36 per cent. of the whole. The National Policy, however, has so changed the current of trade that in 1881 the imports from the United States formed only 20 per cent. of the total importation of cotton goods. The result of the operation of the present fiscal policy has therefore been to yield a larger revenue to the Government, enlarge the home market to the Canadian manufacturer, and transfer the foreign trade to Great Britain.

In woollen goods we find that precisely similar results have been accomplished. The value of woollens imported from the United States before and since the introduction of the present tariff was :—

	1878.	1880.	1881.
Blankets.....	\$ 28,998	\$ 4,567	\$ 4,174
Cloths and tweeds..	10,026	16,569	15,652
Flannels.....	68,695	11,961	12,360
Hosiery.....		14,315	12,680
Dress goods.....		45,019	79,033
Ready-made clothing.....	128,446	25,818	27,651
All other.....	147,614	89,847	54,390
Total.....	\$383,779	\$158,096	\$205,990

The imports of woollens from Great Britain have been :—

	1878.	1880.	1881.
Blankets.....	\$ 172,274	\$ 118,463	\$ 178,027
Cloths & Tweeds.	933,367	2,217,047	3,358,016
Flannels.....	261,646	175,759	256,548
Hosiery.....		209,207	290,662
Dress Goods.....		1,222,957	1,480,221
Ready-made Clothing.....	759,439	807,301	329,629
All other.....	5,130,623	1,058,431	1,064,548
Total.....	\$7,257,369	\$5,303,856	\$6,958,251

Comparing 1881 with 1878, it is found that the value of imports of woollen goods from the United States decreased 48 per cent., while the value of imports from Great Britain declined only 4 per cent.

It is to be noted that although the general trade of the country was much more prosperous last year than in 1878, the aggregate value of the importation of woollen goods was \$476,907 less, and the explanation of this will be discovered in the fact that the home production has wonderfully increased. Thus, while in 1878 we imported raw wool to the amount of 6,230,084 lbs., in 1880 the import of the raw material had increased to 7,870,118 lbs., and in 1881 had reached 8,040,287 lbs., or nearly 2,000,000 more than were brought in for manufacturing purposes in 1878. The increase, moreover, was made up wholly of the finer qualities of wool, the imports from Africa having increased from 306,450 lbs. in 1878 to 887,280 lbs. in 1881, and those from Great Britain from 265,212 lbs. in 1878 to 1,621,738 lbs. in 1881, while the imports of wool from the United States, that is wool similar to that produced in Canada, decreased from 5,688,422 lbs. in 1878 to 5,531,279 lbs. in 1881. The Canadian farmer has been given a home market for his wool by the protection accorded to the establishment of woollen mills in the Dominion. The result of the operation of the National Policy in the light of these statistics will be accepted as most encouraging and thoroughly satisfactory.

The following is a statement showing the value of woollen goods and ready-made clothing imported into the Dominion of Canada during each year, from 1874 to 1881, inclusive :—

Fiscal year ending 30th June.	IMPORTED.	
	Woollen goods.	Ready- made clothing.
1874.....	\$11,167,035	\$1,060,195
1875.....	11,912,276	1,716,881
1876.....	7,423,261	1,153,268
1877.....	8,015,298	1,304,050
1878.....	7,613,941	1,266,804
1879.....	6,315,965	995,941
1880.....	6,077,258	724,885
1881.....	8,377,795	741,888

THE COAL DUTY.

Closely allied to the sugar trade is the coal trade of the Maritime Provinces. No tariff, at least no national tariff, could stand for an hour that wrought upon the people of the Maritime Provinces the injustice of ignoring the protection of that industry, in which about \$15,000,000 are invested. It is held by the leaders of the Opposition that the coal tax is a sectional tax. But by the same reasoning they themselves were responsible for a sectional tax of 150 per cent. upon petroleum, which is found in Ontario alone of all the provinces. Before discussing the coal tax, it will be well to show the good effect of that tax upon the coal interests of Nova Scotia. The following table gives a comparative statement of the coal sales, labor, &c., in that Province for 1878, the last year of the Mackenzie Government, and for 1881, two years after the imposition of the duty:—

	Inc. in 1881 over 1878.	
Coal sales from Nova Scotia mines.....	1,034,810	341,289
The number of men employed..	3,800	465
Number of days worked at coal..	847,545	183,705
Tons of coal shipped from Nova Scotia to Montreal and Quebec	268,628	184,918
Total imports of coal at Montreal and Quebec	529,091	201,017
Coal shipments from Cape Breton to Montreal and Quebec..	146,122	118,014
Total tons of coal shipped from Sydney Harbor	253,961	130,900
Tonnage of ships arrived in Port Sydney	436,082	191,021

This is a satisfactory exhibit. And, now, how can the Ontario or Quebec farmer, who burns wood, and may have wood for sale as fuel, and whose produce, owing to the duties on foreign breadstuffs, is driven into the Maritime Provinces, there to be consumed by the miner, complain of the coal duty, to which this development of a great industry is mainly due?

But it is contended by the leaders of the Opposition that the coal duty is paid by the "poor man," meaning the laborer and artisan in cities and towns. They consume on an average less than six tons a year, and if the duty is added the tax would be less than the loss of three days' work under the return of the hard times and the hard rulers of 1874-78. But it

has been shown at competing points the duty is not added to the price. But even if that were true, it would be cheaper, say, for the Toronto mechanic to pay it under the general system of Protection, of which it is a part, than return to Free Trade and find himself reduced to the extremities of 1874-78. The comparative dearth or cheapness of an article depends after all upon the power to purchase. And there is not an artisan in the Dominion to-day whose purchasing power has not been materially increased by the establishment of new and the development of old industries. But it has not been clearly shown that the artisan and manufacturer in Ontario pay the whole of the coal duty. True, the importer may actually pay into the Custom House at Toronto the duty collectable on his importations, and he may levy that duty upon his customer; but the question turns upon whether the American mining companies do not make a reduction in their prices in order to hold the Ontario market against Nova Scotia coal.

The following table taken from the Trade Returns shows the importations of anthracite into the several provinces from the United States, with average cost per ton:—

Province.	Year	Tons.	Total cost.	Cost per ton
			\$	\$ c.
Ontario.....	1877	261,835	1,163,944	4 45
	1878	296,414	1,022,816	3 85
	1880	335,794	1,022,055	3 04
	1881	337,521	1,023,375	4 25
Quebec....	1877	117,121	468,759	4 00
	1878	103,384	334,830	3 15
	1880	142,239	378,166	2 65
	1881	161,419	608,813	3 77
Nova Scotia.....	1877	11,877	44,560	3 74
	1878	10,592	31,169	2 93
	1880	12,513	32,467	2 58
	1881	15,969	54,681	3 70
New Brunswick...	1877	23,233	92,823	4 00
	1878	21,210	73,535	3 46
	1880	24,237	68,995	2 81
	1881	28,243	104,807	3 70

It will thus be seen that, no matter by whom the duty is paid, coal is cheaper than it was in some of the anti-tariff days,

when the "poor man," equally with the manufacturer, was less able to buy it. But, let it be repeated, that even if the Ontario mechanic (and the farmer, whose coal oil, tea and coffee were heavily taxed by the Mackenzie Government, does not come under that category), pays one-half or the whole of the duty, he is better able to buy a ton to-day than he was when coal came in free from the United States, and with it "slaughtered" goods, destroying Canadian labor.

THE INCREASE IN THE PUBLIC DEBT.

Are Canadians aware of the frightful increase that has been made to their burdens and responsibilities during the last few years?

Are they aware that our net debt has since Confederation increased from seventy-five millions to more than double that huge sum?

Are they aware that the present Government is recklessly mortgaging our future, is plunging daily into new extravagance, and is committing us to a scale of expenditure based on our revenue in prosperous times?

These conundrums are propounded by the *Globe*, and we hasten to relieve our anxious and enquiring contemporary by replying that the people of Canada are fully aware of all these things, and what is more to the point have a lively appreciation as to who is responsible for them.

Let the electors ponder these facts:—At the time of Confederation the net debt of the Dominion was \$75,728,641, and when the Conservative party went out of office seven years later, the debt was \$99,848,461, showing an apparent increase of \$24,119,820. But during that period the Dominion Government assumed debts of the provinces to the amount of \$45,525,279, which was simply a transference of an item from one account to another, and did not involve any additional burden upon the people. Deducting this sum, therefore, the real increase in the debt of

Canada under the Conservative party from 1867 to 1873 was only \$8,594,541.

In November, 1873, the Liberal party assumed the direction of public affairs, and what was the consequence?—that the debt of \$99,848,461 in 1873, was swollen to \$140,362,069 in 1878, or an increase of \$40,513,608 brought about in five years by "the adoption, as a matter of parliamentary policy, of the assumption that "the public debt is large enough." But there is something to go to the credit of the Reform Government. In their term debts were allowed to the provinces to the amount of \$4,927,060, which we deduct from the gross increase, leaving the net augmentation of the debt under "Reform" rule \$45,586,548, against an increment of only \$8,594,541 in the previous seven years under Conservative administration.

In October, 1878, the Conservative party was restored to power, and under their administration the public debt increased from \$140,362,069 in 1878 to \$155,395,780 in 1881. Of that increase \$5,760,000 is represented by deposits in the Government savings banks, and about \$7,000,000 was caused by the deficits of the late Government. Had Sir Richard Cartwright provided for his deficits, had he provided for the sinking fund, as he was bound to do, the increase in the public debt during the last three years would have been only eight million dollars, of which nearly six millions was caused by deposits in the savings banks, while under "Reform" rule the increase, including the deficits, was \$42,500,000, and in their period the deposits in the Government savings banks decreased by \$2,000,000.

How then stands the account?

Cost
per
ton

\$ c.
4 45
3 85
3 04
4 25

4 00
3 15
2 95
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3 74
2 98
2 58
3 70

4 00
3 46
2 81
3 70

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FIRST CONSERVATIVE PERIOD.

Debt, 1867.....	\$75,728,641
" 1873.....	99,848,481
Increase.....	\$24,119,820
Less debts of the Provinces assumed.	\$15,525,279
Net increase.....	\$ 8,594,541

REFORM PERIOD.

Debt, 1873.....	\$ 99,848,481
" 1878.....	140,362,069
Increase.....	\$ 40,513,688
Less debts of the Provinces assumed \$	4,927,680
Net increase.....	\$ 35,586,008
Add deficits.....	7,500,000

Total increase..... \$43,086,008

SECOND CONSERVATIVE PERIOD.

Debt, 1878.....	\$140,362,069
" 1881.....	155,385,80
Increase.....	\$ 15,023,711
Less Liberal deficits provided for....	\$ 7,500,000

Net increase..... \$ 7,523,711

We may carry this interesting comparison a little farther with advantage. We find, for instance, that in the nine years since Confederation, during which the Conservative party controlled the public affairs, there was expended upon the great public works of the country, such as the Pacific Railway, the Intercolonial Railway, the acquisition of the Northwest, etc., the large amount of \$13,064,461, in excess of the increase in debt. That is to say, out of the current revenues the Conservative party were able to expend more than thirteen million dollars upon permanent works of great value to the country. But what did the "Reform" Government do? After failing to provide for the sinking fund, after rolling up deficit upon deficit, after cutting down, so as to render them inefficient, the expenditure on many important branches of the service, they actually increased the public debt by \$1,997,612

more than the expenditure upon public works.

We tell the *Globe* that the people of Canada are fully aware of the increase in the public debt since Confederation, and they will not forget when election day comes round these indisputable facts:—

THAT FROM 1867 TO 1873 THE PUBLIC DEBT INCREASED UPON THE AVERAGE **\$1,227,791** PER ANNUM.

THAT FROM 1873 TO 1878 THE PUBLIC DEBT INCREASED UPON THE AVERAGE **\$8,594,541** PER ANNUM.

THAT FROM 1878 TO 1881 THE PUBLIC DEBT INCREASED UPON THE AVERAGE **\$2,511,237** PER ANNUM.

THE RATE OF TAXATION.

The *Globe* asserts that "the rate of taxation per head has increased from \$4.07 to \$7.02 per annum since Confederation, an increase of \$2.95, or 74 per cent." We will institute a comparison of the rate of taxation under the Reform and Conservative Governments from the figures supplied by the *Globe* itself, which are as follows:—

Year ending June 30.	Assumed population.	Total taxation collected.	Rate of taxation per head
1874.....	3,745,312	24,205,092	\$6 46
1875.....	3,831,829	24,618,715	6 43
1876.....	3,918,346	22,587,587	5 76
1877.....	4,014,363	22,059,274	5 50
1878.....	4,091,380	21,375,011	5 46
1879.....	4,177,897	22,517,382	5 39
1880.....	4,264,414	23,307,406	5 46
1881.....	4,324,810	29,635,297	6 85

These figures, for which we are indebted to the *Globe*, prove at a glance that in the first two years of the administration of the present Government, 1879 and 1880, the taxation was less than in any year in which the Liberals held office. But it will be answered that in 1881 the taxation per head ran up \$1.39, or from \$5.46 to \$6.85, which

is quite true. It is equally true, however, that a surplus of \$4,300,000 was obtained in the latter year, and if this be deducted the taxation is found to have been only \$5.85 per head, against an average annual taxation of \$5.92 during the Mackenzie administration. The reason why we deduct the surplus is because it has been used in the reduction of the public debt, and so has diminished taxation for all time to come. But a more just comparison of the relative taxation under Liberal and Conservative rule can be had. There were collected from Customs, Excise and Stamps, in 1874-75, \$20,664,878.96; in 1875-76, \$18,614,415.02; in 1876-77, \$17,697,924.82; in 1877-78, \$17,841,938.19; in 1878-79, \$18,476,613.35; making a total of \$93,295,770.34. The deficits during the five years were \$5,491,269.51. If the deficits had been collected and added to the sum above, it would have amounted to \$98,787,039.85. The average for the five years was \$19,757,407.97. The average population for this period being 4,050,674, the per capita tax during that period was \$4.88 per head. These are the figures and these are the results. There were collected from Customs, Excise and Stamps, in 1879-80, \$18,479,576.44; for 1880-81, \$23,942,138.95, making a total of \$42,421,715.39. Deducting the surplus for the two years \$2,589,515.36, leaves \$39,832,200.03. The average for the two years of taxation was \$19,916,100.01, being, on a population of 4,282,360, \$4.65 per head during the last two years, as against \$4.88 during the other period. We say nothing about the greater ability of the people to pay the taxes now as compared with their ability to do so in 1874-8. Apart altogether from that consideration the figures prove the actual taxation to have been less per head during the past three, than in the preceding five years.

CAMPAIGN NOTES.

The *Witness* expresses this candid opinion on the situation:—

"The Reform party seems to be pretty well demoralized in Montreal. We cannot learn from its organ that it has any strong objections either to railway monopolies or to protective duties. It would seem to have already confessed failure in the elections."

Senator Macpherson prefaces his latest open letter to his old constituents with these apt quotations:—

"I suspect we shall have another tariff bill next session, and another tariff bill after that, and then, I hope, in the good time to come, that we shall have still another tariff bill."
* * * —Hon. E. Blake (*Speech at Montreal, 1881*)."

"What but mischief can be your object? No sooner are the springs of industry again put in motion—no sooner are the sources of commerce unlocked, and are pouring forth the riches of the country in every direction—no sooner has returning confidence in a reanimated government given a new impulse to every exertion of skill, and new directions to labor and ingenious industry, than you agitate your question of reform to set men mad upon theories of government, instead of supporting it by the peaceful enjoyment of its practical blessings, checking the rising prosperity of peace, and plunging us back into the dangers and difficulties from which we had almost miraculously emerged."—*Erskine*.

We have another instance of the hostile feeling of leading Reformers in regard to the factory operations. At a meeting held in Paris by Mr. Paterson, the Opposition candidate for South Brant, Mr. Watts, the Conservative standard bearer, replied to him. Then by arrangement Mr. Slater, a prominent supporter of Mr. Patterson, followed on his behalf, and this is what he said:—

"Gentlemen, what Mr. Watts has just stated as to my views is correct, and I again

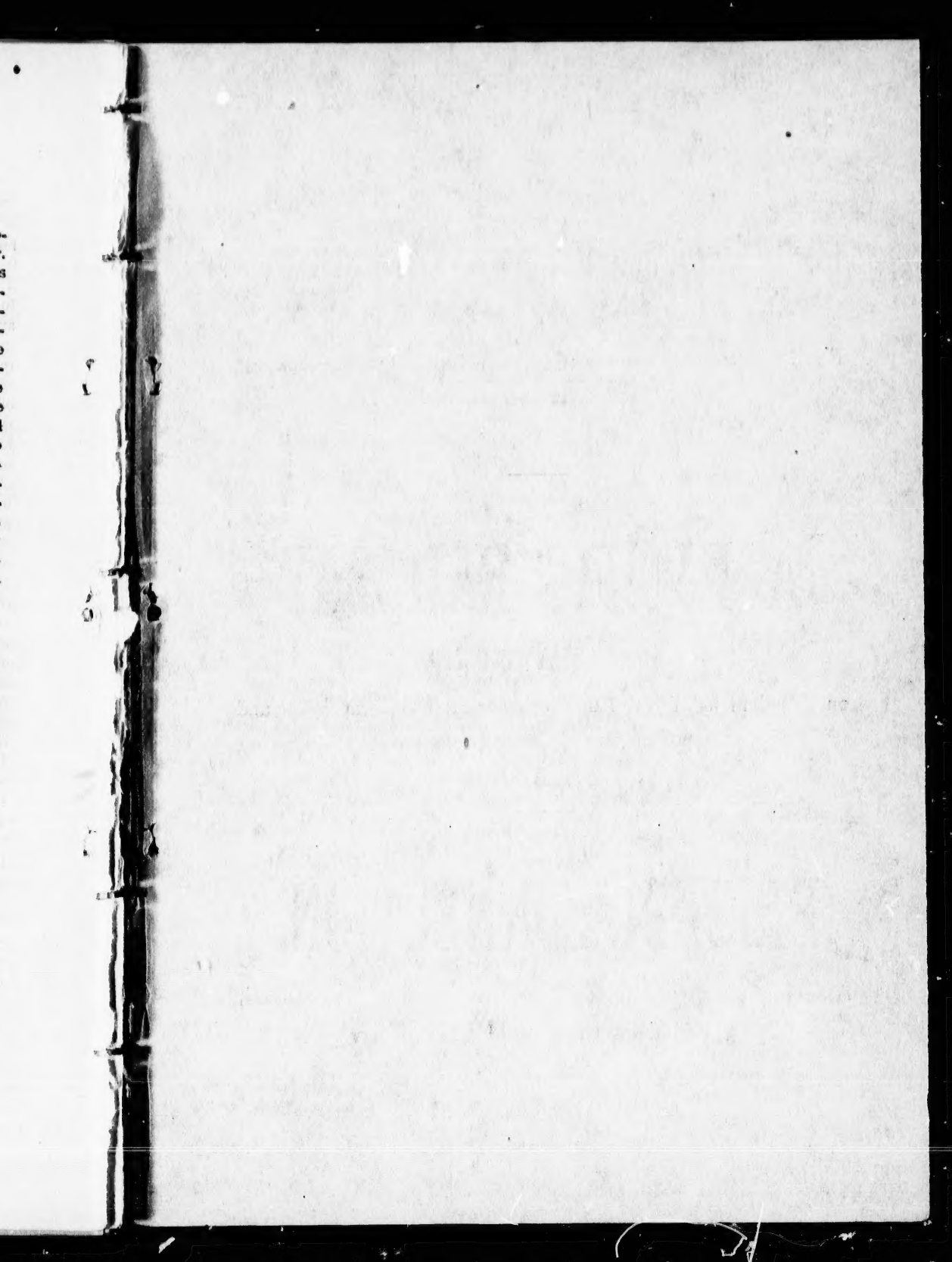
say that it would be better for the Government to do away with the iniquitous tariff it it closed every manufactory and drove the operatives and their families into the streets and for the Government to erect huge poor houses to shelter them."

Mr. Paterson did not repudiate this utterance of his appointed mouthpiece. How many of our mechanics will cast their votes for a party which thus proclaims its desire to send them to the streets or to a poor house?

Toronto *Telegram*:—"It is all very well for the chief organ of the Reform party to appeal to former friends to come to the rescue of the party now, and save it from annihilation. But in many quarters the appeal will not be met with a ready response. The organ has been abusing these people for years, and can hardly expect them to swallow all its abuse and meekly turn round and do its bidding. After the rout of September, 1878, it denounced the manufacturers of Ontario as knaves and the farmers as fools, and now it has the hardihood to appeal to these same 'knaves' and 'fools' to come to their aid, and help to overturn the Government. Its rabid utterances have done the party more harm than good."

Old-time Liberals are flocking to the support of the National Policy in Ontario. Mr. M. O'Connor, who seconded Mr. Goldie's nomination in the South Wellington Convention, said "he had been a consistent Reformer all his life, but felt that in the present juncture it was the duty of every true Canadian to give a hearty support to the present Government, who had shown at once their ability to devise a trade policy in the best interest of every class of the people and the honesty to carry out the pledges made prior to the late elections." Mr. J. L. Murphy, who also spoke, said that on this occasion he would support the Conservative candidate. As a young Canadian he believed it to be his duty to abandon a party, every plank in whose platform was retrogressive and anti-Canadian, and work in the ranks of the Liberal-Conservative party, which has proved itself to be heartily Canadian.

Mr. Henry Smith, who has received the Conservative nomination for Kent, will make a worthy successor to the late member, Mr. Stephenson. Mr. Smith is one of the most prominent and influential men in the county, has participated actively in every contest for years past, and the unanimity and enthusiasm with which his nomination was received, presages his election by a large majority.



A NATIONAL POLICY

For the encouragement of Canadian Industries, Agricultural,
Manufacturing, Mining.

A PACIFIC RAILWAY

FROM OCEAN TO OCEAN,

on Canadian soil, for the development of our Great West and
the building up of Canadian commerce.

BRITISH CONNECTION.

A determined opposition to everything calculated to weaken
the tie binding us to the Mother Country.